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# Foreign Commerce WEEKLY

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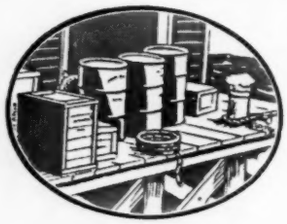
WELCOME TO THE PRESIDENT OF CHILE, GABRIEL GONZALEZ VIDELA

## *PAN-AMERICAN WEEK, APRIL 9–15*

**APRIL 10, 1950**

*Vol. XXXIX*



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# Foreign Commerce Weekly

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PUBLISHED WITH THE APPROVAL OF THE DIRECTOR OF THE BUDGET (42 J. C. P.)

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# *CHILE'S* Economic Elements Today Experience Varying Impacts

JOHN A. E. ORLOSKI

CHIEF, WEST COAST SECTION,
AMERICAN REPUBLICS BRANCH, OIT,
U. S. DEPARTMENT OF COMMERCE

THE ANDEAN CHAIN of mountains stretching along the entire 2,600-mile length of Chile has endowed the country with a richness of minerals vast in both character and quantity. While, perhaps, the greater part of the mineral wealth of the country still remains untapped, Chile long has been renowned as a mining country, and the nation's economy is highly responsive to fluctuating world mineral demand. Especially is this the case with regard to copper and nitrates, in the production of which Chile ranks, respectively, second and first among world producers. The behavior of these two minerals in the consuming markets of the world intimately affects most programming in the country, and adjustments in the intensity of activity of development projects reflect the stability or instability of prices of and demand for these commodities.

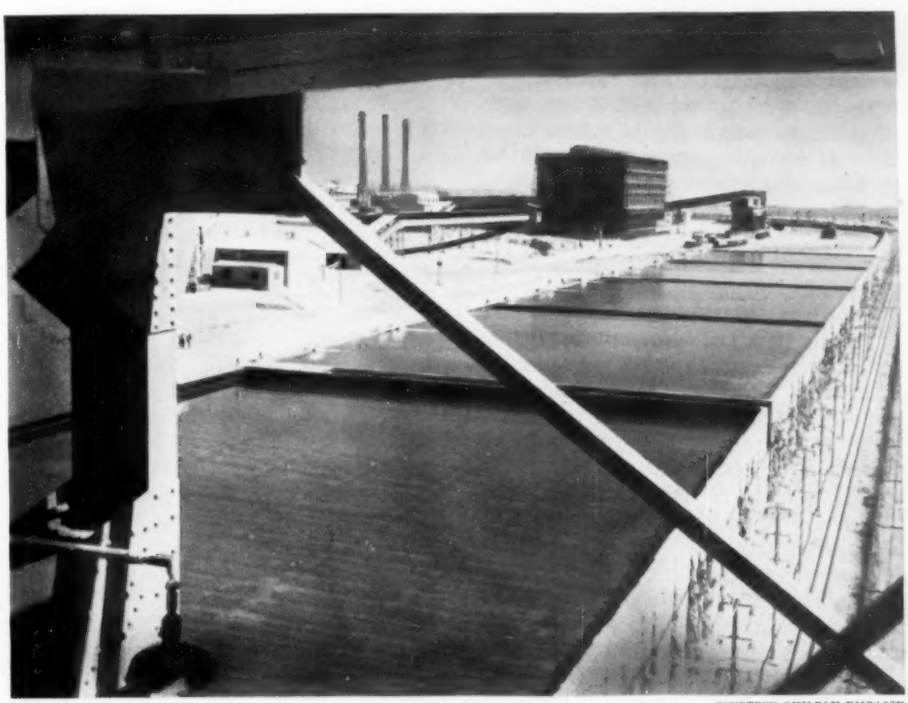
## Industry Is Expanding

THE HURTLING DROP in the price of copper on the world market a year ago from 23½ cents per pound (U. S. currency) to 16 cents per pound and the immediate effect of the price drop on mineral-producing countries were therefore not a new experience to Chile. What was new, however, was an early realization, perhaps for the first time, that the strides made in Chile during the past 10 years in domestic industry and trade offered some cushioning of the adverse effects of a depressed minerals market. This does not mean that Chile's economy has become immune to fluctuations in price and demand for its principal exports. It can mean that the first stage in an attempt to round out that economy has been fairly successful. Further achievement will depend on careful selection of fields to be developed, with consideration being given such important aspects as availability of raw materials, capacity of the country through its consuming population to sustain the industry, economy of production, and ability to keep prices competitive. Industries to be established in a country of 6,000,000 people must be chosen selectively rather than at random.

Despite the accomplishment of internal expansion of manufacturing, trade, industry, production, and other activities, Chile's economy is still substantially tied to mining. The heavy additional investments at the present time in the copper and nitrate industries under a program assuring the means of expanding production at reduced costs is evidence that this situation will continue. Nevertheless, the continued development of the domestic manufacturing industries and other industrial efforts will assist materially in narrowing the range of the effect, on the domestic economy, of fluctuations in the minerals markets. Full effectiveness cannot be attained without protracted delays unless a prosperous mining industry can supply the foreign exchange necessary for the purchase of the capital equipment, and essential raw materials not available domestically, which are needed for the establishment and operation of such a program.

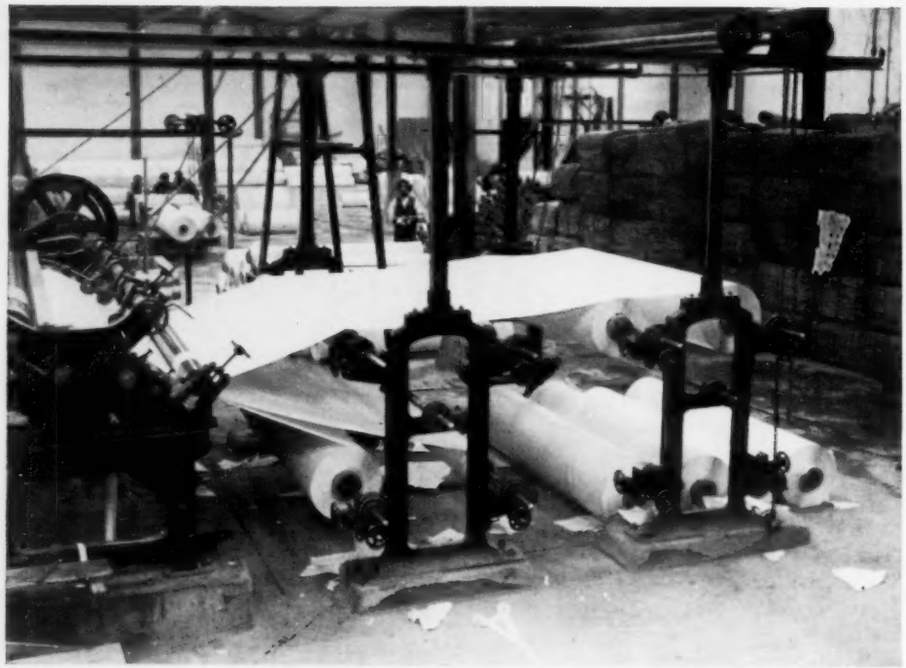
## The Course of Foreign Trade

COPPER AND NITRATES and other mining products accounted for merchandise exports valued at $270,000,000 in 1948, or 82 percent of the value of all exports in that year ($329,000,000). The value of exports of copper bars alone usually makes up about 50 to 60 percent of the total value of all exports. Copper production, the preponderant part of which is marketed abroad, was 425,000 short tons in 1948, and preliminary estimates indicate 1949 production at approximately 355,000 short tons or about 16.4 percent below the 1948 level. While



COURTESY CHILEAN EMBASSY

**Leaching vats, in Chile's great nitrate industry.**



COURTESY CHILEAN EMBASSY

**In a Chilean newsprint factory near Santiago.**

production and export of other minerals increased somewhat in 1949 over 1948, the drop in copper production and exports was dominant, with the result that export trade in 1949 dropped to an estimated $290,000,000.

Aside from minerals, Chile's export trade consists of a miscellany of articles and products. In 1948, for example, agricultural products made up 8.5 percent of the total value of exports; animal products, such as wool, hides and skins, meat, and the like, made up 3.4 percent; processed food products, 2.2 percent; and the remainder consisted of fish and forestry items, various manufactured items, wines and liquors, textiles, and chemicals.

The drop in the value of Chile's principal export commodity at a time when there is an annual transitory need for exchange even beyond that obtained in the fairly good year of 1948 will delay completion of a part of the internal development plan already scheduled or projected. While such delay may be healthful in that it will permit scrutiny in greater detail of contemplated industry developments, progress made so far is already affecting the character of Chile's imports. Whereas in the 1920's about 30 percent of the total value of imports consisted of raw materials, including petroleum and its products, the percentage of imports of raw materials including petroleum increased to about 33 percent in 1939 and to about 50 percent in 1948. Imports of machinery and transport equipment in 1948 constituted approximately 26 percent by value of total imports, a percentage which has been more or less the same in selected past years. The higher over-all value of imports in 1948 (total $269,000,000), however, would also show a greater dollar value of machinery and transport-equipment imports as compared with previous years when import trade was at a lower value level. Moreover, with the production of some types of machinery, tools, and implements, now carried on domestically, even a downward trend in imports of these commodities would be explainable. In 1949, nevertheless, there was a renewed surge of effort to obtain larger amounts of machinery and iron and steel items as these came into freer supply, and preliminary statistics for that year indicate that machinery and transport equipment will account for about 35 percent by value of Chile's total imports in that year. Total imports are estimated to reach a value of $300,000,000.

In addition to machinery and transport equipment, Chile's principal imports in 1949 included metal manufactures of all kinds (about $40,000,000); chemicals (about $40,000,000); agricultural products and foodstuffs, largely sugar, cotton, oils, and cattle (about $50,000,000); textiles and manufactures thereof (about $18,000,000). The remainder consists of commodities such as fish, shellfish, and animal products, mineral products, and forest products.

## United States Is Chile's Best Customer and Supplier

IN CHILE'S FOREIGN TRADE the United States continues to maintain the position of principal supplier and purchaser. This position, with only infrequent exceptions, has been maintained since after the First World War. However, Europe as a whole, including the United Kingdom, had formerly taken the bulk of Chile's exports (49 percent of value in 1936 through 1938) and supplied the bulk of Chilean imports (50 percent of value in 1936 through 1938).

During the first 10 months of 1949 (latest published statistics) the United States took 50.8 percent of Chilean exports by value, compared with 53.7 percent in the same period of 1948, and was the source of 53.9 percent of Chile's imports, as compared with 41.2 percent in 1948. Western Europe in general bought more from Chile in 1949 than in 1948, and supplied slightly more of Chile's imports.

The need to conserve dollar exchange in 1949 prompted Chile to seek more of its requirements outside the dollar area. A factor also was the desire to spend in the soft-currency countries the receipts for some of its exports to these countries. In these undertakings Chile was only partly successful. While its exports to Europe in general expanded during the year, Chile was not able to find sources of many essential imports in other than the dollar area. Such commodities as petroleum, sugar, cotton, and much machinery and equipment were not available for soft currency.

## Balance of Payments

DESPITE AN ESTIMATED INCREASE in the value of Chilean imports in 1949 compared with 1948 and a precipitous drop in the value of 1949 exports, the balance of trade for the year remains an export one if due consideration is given to exports in 1949 of precious metals valued at approximately $11,000,000. Nevertheless, the drop in the value of exports will probably be the deciding factor in the determination of the nation's balance of payments for the year. According to the Central Bank of Chile, a small favorable balance of payments was attained in 1948 after deficit balances of about $45,000,000 had occurred both in 1946 and 1945. The smallness of the net balance in 1948 ($5,500,000), however, and the narrowing export trade balance in 1949 will probably show an important balance-of-payments deficit in 1949.

## Trade Control

IN VIEW OF CHILE'S reduced dollar availabilities in 1949, the inability to obtain many essential needs in Europe resulted in their not being imported from *any* source. Trade controls affecting imports from dollar areas, already onerous, were further tightened during 1949, especially for nonessential merchandise. There were, as a result, many specific cases of foreign traders in fields not within the essential groupings being cat-

egorically cut off from a market built up by them with patience and long effort. In the broader view of the case, however, all available dollar funds were being utilized to the benefit of United States traders in general despite severe cutbacks in many lines and cut-offs of others.

## Foreign-Exchange Budget for 1950

THE OUTLOOK for Chile's foreign trade in 1950 does not appear to be so dark as it was a year ago when the price of copper collapsed. In the last quarter of 1949 the price of copper recovered slightly and since then has firmed. There are, nevertheless, some uncertainties which could materially change the present appraisal. The Government, in adjusting its program to the altered copper situation, is attempting to balance income with outgo and has extended the period in which it desires to attain a certain degree of internal industrial expansion and development. The 1950 exchange budget implements that policy through reductions in the allocations being made for import merchandise of all types during the year. The exchange budget is estimated at $232,000,000, as compared with $307,000,000 in 1949. These amounts do not include self-liquidating accounts called "cuentas de orden" which amounted to $35,600,000 in 1949 and are calculated to reach $41,300,000 in 1950—made up principally of the large mining companies' imports paid for out of receipts from their operations. The major causes of the expected budgetary decline of $75,000,000 or equivalent in exchange receipts in 1950 as compared with 1949 include a contemplated drop of $57,400,000 in income from copper exports and a reduction of $16,250,000 for capital receipts of machinery and merchandise.

FROM THE "GRACE LOG"

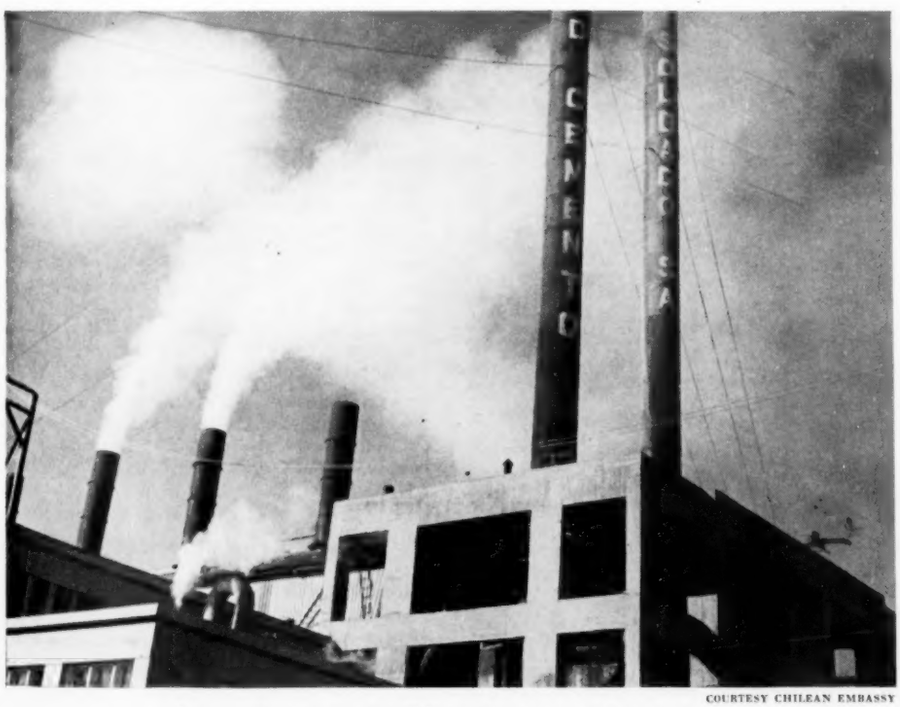
**Business building in Chile's capital, Santiago.**

The major import groups affected by the smaller 1950 budget, and the amounts by which the 1950 allocation for these groups was lower than the 1949 one, were: machinery, utensils, and tools, $28,200,000; metallurgical products, $6,900,000; transportation equipment, $8,800,000; animal products, $10,200,000; and merchandise imported on consignment basis in previous years, $14,300,000. The estimated budget, however, is not an infallible indicator of 1950 "trade to be." An improvement in export commodity prices combined with increased production and export demand could bring material improvement in foreign-exchange receipts, while lower prices in supply markets for imports would reduce the need for exchange.

The Minister of Finance stated that the 1950 foreign-exchange budget estimate was based on a decline of 20 percent in the volume of copper exports and a copper price of slightly over 16 cents per pound. The present price of copper on the New York market is 18½ cents per pound, and, while prognostication is difficult in such a commodity, the immediate outlook is not without a ray of hope.

The Government is expecting, however, that recovery in the exchange pattern will be slow and, in implementation of that expectation, decreed the suspension in February 1950 of the importa-

(Continued on p. 45)




COURTESY CHILEAN EMBASSY

**Cement factory in the Chilean Province of Coquimbo.**

# UNITED STATES TRADE With Latin American Republics in 1949

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UNITED STATES MERCHANDISE imports from the Latin American Republics in 1949 decreased only slightly from the all-time high of 1948, while exports, and consequently the *excess* of exports, which had reached postwar peaks in 1947, declined appreciably for the second consecutive year. Exports, valued at $2,712,000,000, dropped 14 percent from 1948 and 30 percent from 1947. Imports were valued at $2,304,000,000, compared with $2,352,000,000 in the preceding year. The larger part of the decrease in exports was in the trade with Argentina and Brazil, and the decline in imports was mainly in trade with Argentina. On the whole the value of trade continued to remain well above the amounts recorded before 1947.

Exports fell but at a gradually decreasing rate throughout 1949 and in the fourth quarter reached the lowest point since the third quarter of 1946 (chart I). Imports, on the other hand, after dipping to a low in the third quarter—in part a seasonal trend in postwar years—rose in the following quarter to $599,000,000, only 8 percent below the peak first quarter of 1948 and close to the $613,000,009 export total.

In terms of quantity, exports fell an estimated 8 percent from 1948 levels and 30 percent from 1947.[1] The unit value, or price, of exports began to decline toward the end of 1948, and for 1949 averaged about the same as in 1947. Volume of imports was approximately as large as in each of the preceding 2 years, although increases in some of the commodity imports were largely counterbalanced by reductions in other commodities. The unit value of imports remained higher than in 1947 although dropping from 1948.

The excess of United States merchandise exports over imports amounted to $408,500,000 in 1949—about one-fourth the excess of $1,690,000,000 in 1947 and about half that of 1948. The decline in the balance was the outstanding feature of the trade in both 1948 and 1949, although the continued surplus of exports over imports is in contrast with the import balances generally shown in the trade with the Latin American area in prewar years (table 1).

TABLE 1.—*United States Merchandise Trade With the Latin American Republics*

[Value in thousands of dollars]

| Year | Exports, including reexports | General imports | Excess of exports (+) or imports (−) |
|---|---|---|---|
| 1926–28 | 823,276 | 983,065 | −159,789 |
| 1936–38 | 484,609 | 542,389 | −57,780 |
| 1946–48 | 3,039,502 | 2,101,392 | +938,110 |
| 1946 | 2,099,935 | 1,782,613 | +317,322 |
| 1947 | 3,857,817 | 2,167,590 | +1,690,227 |
| 1948 | 3,165,625 | 2,351,943 | +813,682 |
| 1949 | 2,712,374 | 2,303,828 | +408,546 |

Port of Montevideo, Uruguay.

In the trade with Venezuela and Mexico, exports were as usual much larger than imports, and, although the balances lessened in 1949, the combined balance for the two was greater than that with the 20 Republics as a group. The export balance in trade with Argentina, which was a large part of the total balance in both 1947 and 1948, decreased to the relatively small figure of $32,000,000 in 1949. The United States had import balances with only 2 countries, Cuba and Bolivia, in 1947 and with five in 1948—Brazil, Colombia, El Salvador, Bolivia, and Chile. Two more were added in 1949, when earlier export balances with Cuba and Uruguay shifted back to import balances. Imports from Brazil exceeded exports to that country by $170,000,000, the largest import surplus on record. Most of this balance accumulated in the last 5 months of the year.

Excess of United States exports (+) or imports (−) in the trade with selected countries was as follows:

| | *Millions of dollars* | | |
|---|---|---|---|
| | *1947* | *1948* | *1949* |
| Mexico | +383 | +275 | +218 |
| Panama[1] | +166 | +83 | +105 |
| El Salvador | +1 | −5 | −14 |
| Cuba | −18 | +66 | −7 |
| Argentina | +525 | +201 | +32 |
| Bolivia | −11 | −13 | −12 |
| Brazil | +198 | −17 | −170 |
| Chile | +3 | −74 | −10 |
| Colombia | +13 | −39 | −66 |
| Peru | +50 | +32 | +46 |
| Uruguay | +38 | +3 | −20 |
| Venezuela | +253 | +246 | +240 |

[1] Merchant vessels transferred to Panamanian registry are included as exports in United States statistics. These mainly account for the large export balance in postwar years.

## Factors Influencing Trade

SALES OF United States goods in Latin American countries in 1949, as in 1948, reacted to the trade and exchange controls operating in nearly every country, generally for the purpose of limiting imports to such amounts as could be fi-

NOTE.—The United States statistics quoted were derived from basic data tabulated by the Bureau of the Census, United States Department of Commerce; the Latin American statistics, from compilations of data of the individual countries prepared by the American Republics Branch of the Department's Office of International Trade.

[1] "Quantity" as here used refers to the value figure adjusted for changes in the price level as shown by indexes of total United States imports and exports with allowances for the heavier weights of foodstuffs imports and finished-manufactures exports in the trade with Latin America.

nanced while at the same time insuring that receipts of essential types of goods were maintained. Many countries became extremely dependent upon current receipts of dollars, principally from sales to the United States, to finance their purchases in 1948 and 1949 after wartime accumulations of gold and dollar holdings had been largely depleted by the end of 1947. Venezuela, with an ample supply of dollars from exports of oil and from the proceeds of new United States investments, was the principal exception. Mexico, having large dollar receipts from United States tourist expenditures and gold and silver shipments, also was able to maintain relatively high levels of purchases from the United States. Trade controls have served, however, to improve the financial reserves of many of the countries to an extent that favors an improved outlook for trade.

Another factor tending to reduce Latin American purchases of certain types of United States goods is the increasing availability of European goods. Still another is the growth in production of certain domestic products, particularly in Mexico and Brazil, where the output of such products as iron and steel goods, textiles, and tires is expanding. Industrial expansion in the Latin American countries is, however, gradually raising their living standards and purchasing power and thus broadening the demand for imports of capital goods and consumer goods.

The principal influence on imports was the change in business activity in the United States during the year. Purchases of industrial materials tended to drop, as manufacturers reduced inventories, in the first half of the year and to expand thereafter as replenishment of stocks became necessary. The marked rise in coffee prices, principally because

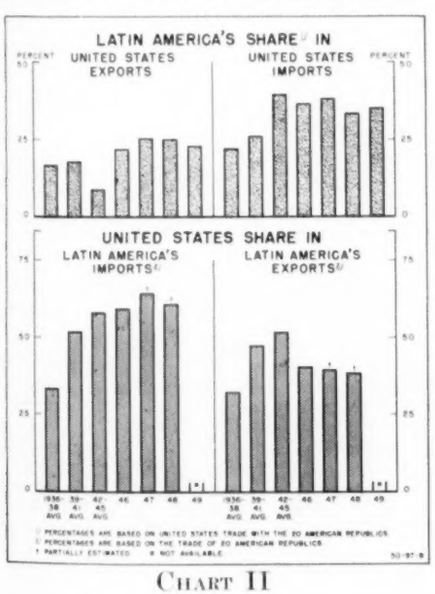



CHART II

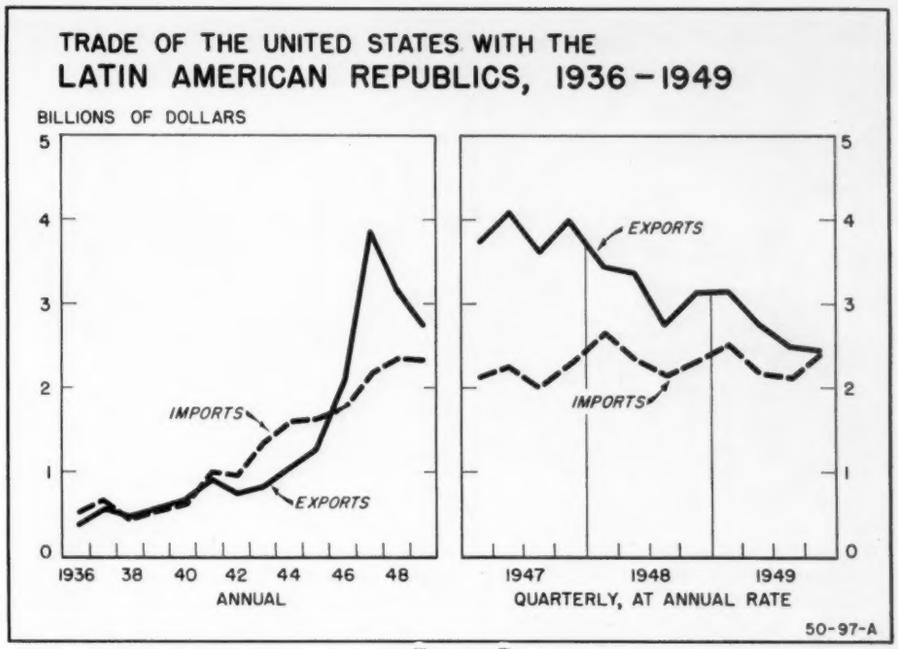



CHART I

of an anticipated drop in the Brazilian coffee crop, increased the value of imports, especially those from Brazil. Although quantity of coffee imports increased, high prices impeded imports of other commodities, such as quebracho and hides and skins. Also, Latin American products are encountering somewhat greater competition in United States markets, especially from Far Eastern and African products.

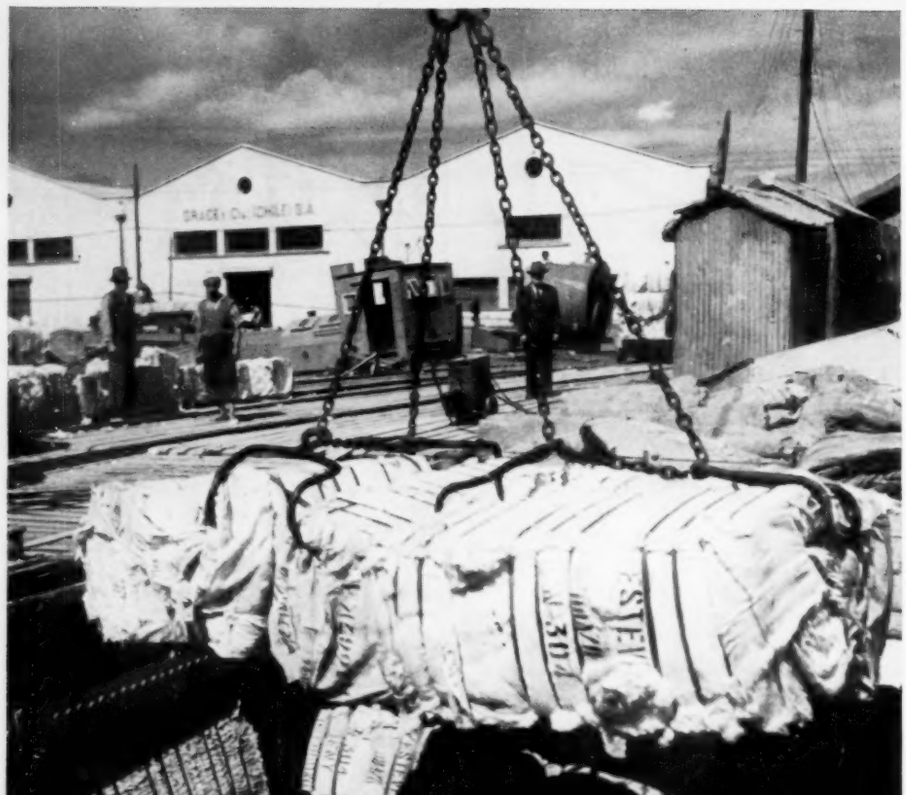
## Latin America in United States Trade

THE OTHER American Republics, although showing some decline in importance in our trade from recent years, remained a more important market and source of supply than before the war.

The 20 Republics as a group took 23 percent of total United States exports in 1949, a decline from 25 percent in both 1947 and 1948, but an increase from 16 percent in 1936–38 (chart II). They were the destination of about 30 percent of our exports of machinery, iron and steel, and textile manufactures, and 36 percent of automobile exports. These proportions compare with 37, 35, 30, and 39 percent in 1948. About 28 percent of our exports of dairy products and other animal foodstuffs and 11 percent of rice, flour, and other vegetable-food-product exports went to that area, largely to Cuba and Venezuela. The Latin American

TABLE 2.—*Merchandise Trade of the United States With the Latin American Republics, by Country, 1947–1949*

| Country | Value in millions and tenths of millions of dollars | | | Percent distribution 1949 | Percent increase (+) or decrease (−) 1949 from 1948 | Value in millions and tenths of millions of dollars | | | Percent distribution 1949 | Percent increase (+) or decrease (−) 1949 from 1948 |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1947 | 1948 | 1949 | | | 1947 | 1948 | 1949 | | |
| | EXPORTS, INCLUDING REEXPORTS | | | | | GENERAL IMPORTS | | | | |
| Total | 3,857.8 | 3,165.6 | 2,712.4 | 100.0 | −14.3 | 2,167.6 | 2,351.9 | 2,303.8 | 100.0 | −2.0 |
| Mexico | 629.9 | 521.5 | 462.4 | 17.0 | −11.3 | 246.7 | 246.2 | 244.2 | 10.6 | −0.8 |
| Central America: | | | | | | | | | | |
| Costa Rica | 35.1 | 28.6 | 27.0 | 1.0 | −5.6 | 20.7 | 22.9 | 22.4 | 1.0 | −2.2 |
| Guatemala | 41.4 | 44.8 | 44.9 | 1.7 | +.2 | 44.0 | 44.2 | 43.3 | 1.9 | −2.0 |
| Honduras | 29.9 | 27.3 | 33.6 | 1.2 | +23.1 | 11.6 | 13.2 | 15.2 | .7 | +15.2 |
| Nicaragua | 17.4 | 20.6 | 15.7 | .6 | −23.8 | 9.0 | 11.7 | 6.7 | .3 | −42.7 |
| Panama, Republic of | 172.2 | 91.9 | 115.7 | 4.3 | +25.9 | 6.7 | 8.9 | 11.2 | .5 | +25.8 |
| El Salvador | 28.4 | 25.8 | 25.8 | 1.0 | − | 27.5 | 31.1 | 40.2 | 1.7 | +29.3 |
| Caribbean Area: | | | | | | | | | | |
| Cuba | 491.8 | 441.0 | 380.3 | 14.0 | −13.8 | 509.6 | 375.0 | 387.5 | 16.8 | +3.3 |
| Dominican Republic | 49.3 | 47.0 | 38.3 | 1.4 | −18.5 | 30.2 | 35.2 | 25.6 | 1.1 | −27.3 |
| Haiti | 25.2 | 20.2 | 23.8 | .9 | +17.8 | 20.1 | 18.8 | 19.8 | .9 | +5.3 |
| South America: | | | | | | | | | | |
| Argentina | 679.9 | 380.9 | 129.1 | 4.8 | −66.1 | 154.6 | 179.9 | 97.5 | 4.2 | −45.8 |
| Bolivia | 28.3 | 35.7 | 36.2 | 1.3 | +1.4 | 39.5 | 48.8 | 48.5 | 2.1 | −.6 |
| Brazil | 643.2 | 497.3 | 381.9 | 14.1 | −23.2 | 445.7 | 513.9 | 551.9 | 24.0 | +7.4 |
| Chile | 125.3 | 105.5 | 142.2 | 5.2 | +34.8 | 122.3 | 179.1 | 152.5 | 6.6 | −14.9 |
| Colombia | 218.9 | 197.3 | 175.9 | 6.5 | −10.8 | 205.6 | 236.5 | 241.5 | 10.5 | +2.1 |
| Ecuador | 40.0 | 30.7 | 32.4 | 1.2 | +5.5 | 18.5 | 18.9 | 17.1 | .7 | −9.5 |
| Paraguay | 7.7 | 6.2 | 7.7 | .3 | +24.2 | 2.3 | 4.1 | 5.7 | .2 | +39.0 |
| Peru | 91.6 | 66.5 | 86.2 | 3.2 | +29.6 | 41.7 | 34.9 | 40.3 | 1.7 | +15.5 |
| Uruguay | 75.5 | 60.2 | 34.6 | 1.3 | −42.5 | 37.8 | 57.7 | 54.1 | 2.4 | −6.2 |
| Venezuela | 426.8 | 516.6 | 518.5 | 19.1 | +.4 | 173.5 | 270.8 | 278.8 | 12.1 | +3.0 |



Unloading cotton at Talcahuano, Peru.

countries have little need, however, for our leading crude materials.

Of total imports, the Latin American countries supplied 35 percent in 1949, a slightly larger part than in 1948, but smaller than in 1947. The prewar share was 22 percent. Of all coffee, banana, and nitrate imports, the area furnished well over 95 percent, and of sugar and petroleum and products, including petroleum products coming through the Netherlands West Indies, it furnished as much as 86 percent. It also furnished large parts of our imports of metals, wool, and other commodities, as shown in table 3.

## United States in Latin American Trade

THE UNITED STATES continues to be the main source of Latin American imports, although the Republics are increasing their purchases from other countries. This country supplied 60 percent of total imports of that area in 1948, a reduction from 64 percent in 1947 but an increase from 33 percent in 1936–38 (chart II). The proportion of total imports of the area supplied by the United States in 1949 is not yet available, but the statistics for six countries for January–September indicate that United States goods lost ground in only two, Brazil and Uruguay.

The United States has for many years been an important market for Latin American products. This country took 38 percent of total exports from that area in 1948, as compared with 39 percent in 1947, about 50 percent in the war period, and 32 percent in 1936–38. Available data for January–September 1949 show that the United States took larger parts of the exports of four countries, Brazil, Cuba, Mexico, and Peru, but smaller proportions of exports from Chile and Uruguay than in the corresponding period of 1948.

The United States share in the import and export trade of six Latin American countries in recent periods was as follows:

| | Percent | |
|---|---|---|
| | Jan.–Sept. 1948 | Jan.–Sept. 1949 |
| Imports into— | | |
| Brazil | 53 | 47 |
| Chile | 42 | 56 |
| Cuba | 80 | 83 |
| Mexico | 87 | 87 |
| Peru | 54 | 64 |
| Uruguay | 34 | 23 |
| Exports from— | | |
| Brazil | 41 | 46 |
| Chile | 53 | 52 |
| Cuba | 50 | 65 |
| Mexico | 73 | 76 |
| Peru | 24 | 28 |
| Uruguay | 30 | 25 |

## Trade by Country

THE EXPORT AND IMPORT trade with five countries—Venezuela, Mexico, Brazil, Cuba, and Colombia—comprised nearly three-fourths of our total trade with the Latin American area. Exports to Venezuela have increased steadily since 1943 and in 1949 exceeded those to any of the other Republics. Mexico, generally the leading country of destination, was in second place. Argentina, the leading destination in 1947 and among the first five markets in other postwar years, was in seventh place last year. On the import side, Brazil was the chief supplier in 1949, and Cuba second. For

(Continued on p. 44)

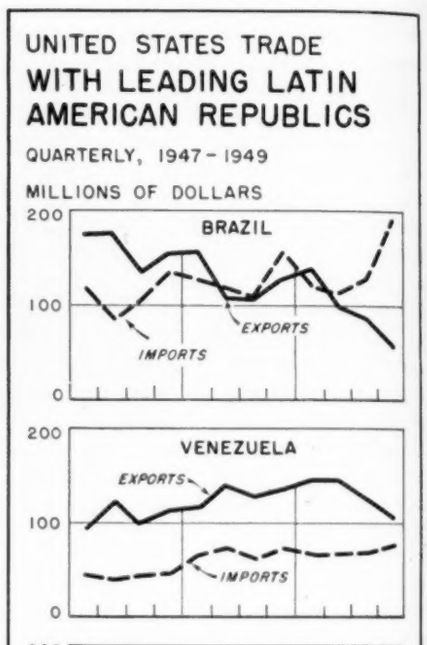



CHART III

Broad Controlling Factors Outlined, in Situations Subject to Quick Changes

# Elements of the *Credit Outlook* for Latin America in 1950

DOUGLAS HENDERSON

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PERSONS AND COMPANIES in the United States extending credit to Latin American importers in 1950 should find generally favorable conditions in most countries. This general statement, however, should be qualified by reference to each country's prospects for earning dollar exchange, and to the extent and nature of each government's controls over transactions in dollar exchange, where such controls exist. These factors are subject to rapid changes, which may alter any situation for better or for worse within a relatively short period. Illustrative of the rapid variations to which these countries' exchange earnings are subject were the effects of the break in world prices for base metals, especially copper and tin, and of the increase in world prices for coffee during 1949.

During this same period, the operation of government exchange-control systems demonstrated a diversity of results. The improvement in the Brazilian and Colombian exchange positions may in large measure be attributed to controls put into effect in 1949, while in Costa Rica an exchange-control system instituted late in 1948 did not prevent the accumulation of unpaid commercial obligations in substantial volume during 1949. The latter situation should not, of course, be attributed solely to the functioning of the exchange-control system.

NOTE.—The general statements in this article must be qualified when applied to specific cases, by reference to the *particular circumstances*. A brief survey of some of the factors affecting credit in each of the 20 Latin American Republics is available in mimeograph form, either from the Regional and District Offices of the Department of Commerce or from the American Republics Branch, Office of International Trade, Department of Commerce, Washington 25, D. C.

At the present time, the prospects are for declining dollar-exchange earnings for countries that depend upon the export of such minerals as copper and tin for a large part of their dollar income, in view of the decline in demand and price for these commodities in world markets. Bolivia, Chile, Peru, and to a lesser extent Mexico, will be affected by any development in this situation. Countries supplying agricultural products of which the United States is a substantial importer are finding favorable market conditions. This applies particularly to coffee-exporting countries, notably Colombia and Brazil, but Cuban sugar exports and Uruguayan and Argentine exports of wool and of hides and skins are also at present good dollar earners. Seasonal variations in the exchange earnings of these countries dependent upon agricultural exports should be carefully appraised, and a distinction made between short-term variations between harvests and the longer-term trends.

## Possible Effects of "New Income"

INCOME from new sources may offset declines in income, or supplement present dollar-exchange earnings in some Latin American countries. United States Government loans through the Export-Import Bank, and the operations of the International Bank for Reconstruction and Development and the International Monetary Fund, may increase the dollar-exchange income of some countries. Loans from the first two are intended primarily to assist in the economic development of the receiving countries through the financing of specific projects, rather than to bolster declining exchange earnings. However, as the selected projects materialize and contribute to the country's economic development, the longer-run credit outlook of the receiving country should be considerably strengthened. The Latin American Republics may also expect to benefit from any future program for the development of backward areas, such as President Truman's proposed Point IV Program; legislation authorizing such a program is still pending enactment, and consequently nothing can be assumed as to any assistance under this program in the immediate future. Meanwhile, dollar income from offshore purchases in some Latin American countries under ECA operations may decline, as the entire program is gradually reduced during the next 3 years.

Private dollar expenditures by United States tourists and the flow of private investment capital may contribute significantly to the dollar-exchange income of some Latin American countries. Tourist expenditures may be expected to be concentrated mostly in countries near the United States. Tourist entries in Mexico, for example, increased 21 percent in 1949 over 1948. However, a delegation representing the United States Department of Commerce and the Pan American Union is now in South America for the express purpose of encouraging the development of travel to those countries and the elimination of existing barriers to its growth.

The over-all reserve holdings of gold and dollar exchange of the Latin American countries showed some improvement during the past year, which should reflect favorably on the 1950 credit outlook. This improvement, however, should not be allowed to conceal the depletion of reserves which a few countries experienced.

## Countries in Two Groups as Regards Exchange Controls

THE 20 Latin American Republics are now evenly divided in number between those which impose some form of control over transactions in exchange and those which exercise little or no control. The existence of controls in the former nations usually results in the restriction of imports from the United States. Nevertheless, the several countries' credit outlook will be favorably affected by progress in increasing the efficiency of administration of controls and in designing and using controls in such a way as to maintain a workable relationship

(Continued on p. 40)



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# POWER: Hub of South America's Industrial Development

GUIDA BERRIGAN HALL

PUBLIC UTILITIES SECTION,
TRANSPORTATION AND COMMUNICATIONS BRANCH, OIT,
U. S. DEPARTMENT OF COMMERCE

## Part I

THE DEVELOPMENT, or lack of development of electric-energy resources in the countries of South America has played an extremely important part in the respective national economies.

No standard method is used in the development of data as to the undeveloped power in the various countries. Some estimates of hydroelectric potential are based on continuous flow, some on average flow, some on waterfalls of various heights, while in other countries the time element—that is, daily, monthly, or annual periods of flow—form the bases of the estimates. Likewise, the statistical data supplied by various countries are not on a uniform statistical basis. In certain countries data of coal, coke, and briquets are not separated, while in other countries, fuel, oil, and gas oil are combined for statistical purposes.

In considering the relative rank of 10 South American nations according to the magnitude of their installed electric capacity, Argentina is in leading position with an installed capacity of approximately 1,400,000 kilowatts, of which 45,000 kilowatts are hydroelectric. Next is Brazil with a total installed capacity of 1,300,000 kilowatts, of which 1,030,000 kilowatts are hydroelectric and 270,000 kilowatts are thermally generated. Chile and Peru fall into third and fourth places with total installed capacities of 700,000 and 294,000 kilowatts, respectively. Hydro-generated power dominates in both of these countries, as Chile's hydroelectric capacity totals 470,000 kilowatts and Peru's 150,000 kilowatts; their thermal capacities total 230,000 kilowatts and 144,000 kilowatts, respectively.

The remaining 6 of the 10 countries considered in relation to their installed generating capacities are as follows: Colombia, 250,000 kilowatts; Uruguay, 174,000 kilowatts; Venezuela, 150,000 kilowatts; Bolivia and Ecuador, each with 35,000 kilowatts; and Paraguay, with only 5,350 kilowatts.

In comparison with the above figures for the South American countries specified, the following, reported at the close of 1948 by the Federal Power Commission, represents the installed capacity of public-utility power plants in the United States:

| | *Kilowatts* |
|---|---|
| Steam plants | 39,234,257 |
| Hydroelectric plants | 15,652,862 |
| Internal-combustion plants | 1,576,390 |
| Total | 56,463,509 |

Other plants operated by industries, mines, and railways in 1948, had an installed capacity (name-plate rating) of 13,022,372 kilowatts, according to the above source.

Electrification in South America is progressing steadily, and all of the countries are engaged in fairly extensive development programs, in all of which hydroelectric projects dominate. The fuel shortages prevailing during the war years, caused chiefly by restricted imports and lack of domestic resources and production of fuels, focused attention on the expansion of the water-power resources of most countries in South America. Uruguay, for example, depended upon thermally generated power until 1946, at which time the first major hydroelectric plant in the country was inaugurated on the Rio Negro, the river which forms the border of the Departments of Tacuarembo and Durazno. This plant is expected to supply 85 percent of all the electric energy required in the Montevideo area, the center of the country's industrial activity. Other hydroelectric projects are under study in Uruguay at this time. Several power plants and substations now under construction or planned are in locations in the interior of the country where only a few years ago such installations would have been considered impossible.

Estimates place the potential hydroelectric power at minimum flow for South America at 46,400,000 kilowatts; while other estimates show a total of over 100,000,000 kilowatts. The construction of dams and other storage facilities would further increase the hydroelectric potentialities of the continent. A clearer picture of the hydroelectric potential of South America can be obtained by comparing it with the potential of the United States which has been estimated by the U. S. Geological Survey as follows: Mean flow, 110,000,000 kilowatts; minimum flow based on 95 percent of the time, 33,500,000 kilowatts; and by the Federal Power Commission (based on rated capacities of generators which would normally be installed, and assuming a reasonable regulation of flow by storage together with other factors relating to the best use of the rivers, developed and undeveloped) 93,000,000 kilowatts. This would seem to indicate that the hydroelectric potential of the United States is somewhat less than that of South America. However, the United States, with only 7 percent of the world's population in 1947, generated 45 percent of the world's production of electricity.

It is to be noted that many of the finest sites of hydroelectric potential in South America are distant from the present centers of industry and population.

The countries producing power from thermal plants in excess of hydroelectric in South America are Argentina, Uruguay, and Venezuela. However, the first two mentioned are now turning to hydroelectric developments. Venezuela has shown less interest in water-power development because of the country's large petroleum production.

The following résumé indicates the development of the natural resources of the 10 South American countries previously mentioned, and the effect of such development upon the economy of these countries.

### Argentina

OVER 80 percent of Argentina's total electric-power production is generated in the Province of Buenos Aires on the Atlantic Coast, the center of the country's industrialization. However, in recent years there has been a growing interest in decentralization of industry in Argentina which, if it materializes, will lead to the expansion and development of the country's hydroelectric potentials,

estimates of which have been placed at 27,000,000 to 90,000,000 horsepower.

Thermally generated power predominates over hydroelectric power in Argentina, as previously stated, and in 1944, of the approximate 3,800,000,000 kilowatt-hours of electricity produced in the country, only 5 percent was generated in hydroelectric centrals, 12 percent in Diesel-operated plants, and the remaining 83 percent in plants operated by steam turbines.

### *Argentina's Dependence Upon Imported Fuels*

One of the basic economic problems of Argentina is its dependence upon large imports of coal and petroleum. During the war years the country had to rely largely upon its own fuel resources and, as a result, burned huge quantities of wood, linseed oil, corn and other grains, and other uneconomical fuels. The demand for fuel and power has increased annually. Estimated coal reserves of Argentina given in the findings of the Third World Power Conference are 50,000,000 metric tons, but production there is negligible. Coal imports from all sources in 1937 amounted to 3,000,000 tons, with approximately 75 percent coming from the United Kingdom. Imports from the United States were very small that year. In 1938, Argentina's coal imports totaled approximately 2,817,000 metric tons, but had declined to 616,000 metric tons in 1942. In 1947, however, the picture changed, and of the 1,309,337 tons of coal imported by Argentina, 1,183,000 short tons came from the United States and imports from the United Kingdom were nil, due mainly to economic conditions in Europe. Argentina's fuel imports increased again in 1948, and a total of 2,118,687 metric tons of coal and coke were imported, of which the United States supplied 861,058 metric tons of coal, and 867,361 metric tons came from the United Kingdom.

A shipment of coal (lignite) from the Rio Turbio development in southern Patagonia reached Buenos Aires in 1948, but the practical significance of this source remains uncertain because of the problem of economic transportation of the coal from mine to coast.

### *Hydroelectric Development*

The Argentine Government under its Five-Year Plan has numerous hydroelectric projects in the planning stage which are designed to lessen the country's dependence upon outside fuels, as well as to increase its present installed hydroelectric power capacity of 45,000–50,000 kilowatts to a total of 1,400,000 kilowatts. Progress in this direction, however, has been relatively slow.

The existing electric power facilities were able to take care of an increased load on their plants during 1948 when electric power consumption increased from 1,614,000,000 kilowatt-hours in the first 7 months of 1947, to 1,754,000,000 kilowatt-hours for the same period of 1948. However, in many sections of the country the upswing in power consumption has brought about a local scarcity of electric energy.

**Power house, Sao Paulo, Brazil.**

An estimate of the potential horsepower of all the streams in Argentina, published by the U. S. Geological Survey in 1947, is 5,400,000 horsepower. At the present time, however, this hydroelectric potential is of little economic value to the country inasmuch as both population and industry are concentrated in the Atlantic seaboard area, while the sites for possible hydroelectric plants are frequently in distant localities, chiefly in the foothills of the Andes. Many small streams are included in the above estimated potential of 5,400,000 horsepower, and many of these are not likely to be developed in the near future, if at all.

However, Argentine possesses several important waterfalls with neighboring countries which are capable of providing large quantities of electric energy. For example, the Falls of Iguazú, the rapids of Apipe, and the Falls of Salto Grande are capable of producing a total of about 3,500,000,000 kilowatt-hours annually. Under Argentina's Five-Year Plan, the Salto Grande Project is one of the largest of the schemes and it will be carried out in conjunction with the Uruguayan authorities.

One of the principal reasons for the lack of hydro-development is the nature of the country's rivers, particularly those in the Sierra de Cordoba, and the Andes with their extreme variations in run-off, thus making hydroelectric development both difficult and expensive. In general, therefore, transmission costs in Argentina make hydroelectric power uneconomical in comparison with energy produced by thermal plants.

### *Petroleum*

Petroleum is the only source of thermal energy available in Argentina on a satisfactory commercial scale and, in 1945, production amounted to 22,880,000 barrels. By comparison, the production of crude petroleum in the United States during the same year totaled 1,713,665,000 barrels. In 1947, Argentina's production of petroleum dropped to 21,846,000 barrels, and during the first 9 months of 1948, amounted to 17,500,000 barrels.

An agreement entered into on June 27, 1949, between the United Kingdom and Argentina, provides for the export by the United Kingdom to Argentina of 1,500,000 tons of petroleum between July 1, 1949, and June 30, 1950. This agreement also provides that during the same period practically all of Argentina's petroleum requirements are to be supplied by United Kingdom oil-producing companies. These requirements will approximate a total of 5,800,000 metric tons, or roughly 40,000,000 barrels.

### *Electric Current Characteristics*

When electric current was introduced into Argentina, only direct current of 220 volts (2-wires), and 2 x 220 volts (3-wires) was used for distribution. Later, with the rapid growth of cities and increased industrialization, the changeover was made to alternating current, 3 phase, 220/380 volts, 50 cycles. The larger plants operating in Argentina today employ both direct current, 2 x 220 volts, and alternating current, 50 cycles,

220/380 volts. Smaller plants are still using direct current. It is the plan of the Government to unify the secondary distribution electric supply eventually, but many years will be required before this change-over can be accomplished in its entirety.

## Brazil

BRAZIL is one of the largest countries of the world as far as natural resources are concerned. Besides the agricultural, mineral, forests, and waterpower resources, there are deposits of manganese, mica, bauxite, lead, nickel, chromium platinum, gold, carbonados (industrial diamonds), and precious stones in addition to iron reserves which are considered among the world's largest—all of which presents the greatest justification for confidence in the future of Brazilian industry and its continued industrial expansion.

In 1889, there were only 903 industrial establishments in all of Brazil; that number was increased 60 times by 1935, and today, there are more than 60,000 industrial plants operating in the country.

Brazil's first electric power plant, with a capacity of 50 kilowatts, was constructed in Campos, in the State of Rio de Janeiro, in 1883. It was thermally operated. By 1900, the total installed capacity of the country's six hydro and six thermal centrals was 10,000 kilowatts. Today, a large percentage of Brazil's total installed capacity of 1,496,659 kilowatts is located in the central district of the nation, comprising the States of Sao Paulo, Minas Gerais, and Rio de Janeiro, as well as the Federal District. These States, in 1940, contained 92 percent of the total installed hydroelectric capacity of the country, and 74 percent of all Brazilian hydroelectric plants.

More than half of the installed thermal capacity and about 68 percent of the thermally operated centrals of Brazil are located in two separate areas of the country which are the seven northeastern states, where the annual rainfall is relatively light, and the southern State of Rio Grand do Sul, where coal mines are being developed.

A comparison of the installed electric power capacity in the various states of Brazil for the years 1940 and 1947 is shown in tables 1 and 2.

The National Confederation of Industry of Brazil published a statement in the May 15, 1949, issue of Boletim de Informação which gives figures on the development of electric energy for selected years during the period 1883–1947. The figures are the result of research over a period of years by the National Department of Mineral Production of Brazil and are shown in table 3.

A statistical summary of Brazil's electrical industry for selected years during the period 1883–1947, according to the Report of the Joint Brazilian-U. S. Technical Commission (February 7, 1949) is shown in table 4.

As previously stated, a wide variance occasionally appears in statistical data emanating from different sources in the South American countries.

### *Production of Electrical Energy*

Information regarding electrical production in Brazil varies according to the source, and the production figure of 2,210,000,000 kilowatt-hours for 1947, which was contained in the United Nations Statistical Bulletin, shows a decrease from production in 1941 which, according to the Brazilian Ministry of Agriculture, totaled 2,620,770,000 kilowatt-hours. The Journal of International Economy (June 9, 1945) states that Brazil's total production of electric energy in 1938 was 2,400,000,000 kilowatt-hours.

TABLE 1.—*Installed Electric Power in Brazilian States, 1940*

[In kilowatts]

| States | Total installed capacity | Percent of total | Hydroelectric capacity | Thermoelectric capacity |
|---|---|---|---|---|
| Sao Paulo | 564,456 | 47.6 | 549,156 | 15,300 |
| Rio de Janeiro | 257,427 | 21.7 | 245,955 | 11,472 |
| Minas Gerais | 130,509 | 11.0 | 122,689 | 7,820 |
| Rio Grande do Sul | 58,016 | 4.9 | 9,584 | 48,432 |
| Pernambuco | 32,293 | 2.7 | 4,248 | 33,045 |
| Bahia | 22,758 | 1.9 | 15,542 | 7,216 |
| Parana | 16,325 | 1.4 | 14,681 | 1,644 |
| Santa Catarina | 15,383 | 1.3 | 13,643 | 1,740 |
| Para | 14,527 | 1.2 | ..... | 14,527 |
| Federal District | 13,187 | 1.1 | 375 | 12,812 |
| All others | 62,001 | 5.2 | 17,869 | 39,132 |
| Total | 1,186,882 | 100.0 | 993,742 | 193,140 |

SOURCE: "Brazilian Fuel and Power," Commercial Pan America, May 1945.

TABLE 2.—*Installed Electric Power in Brazilian States and Territories, 1947*

[In kilowatts]

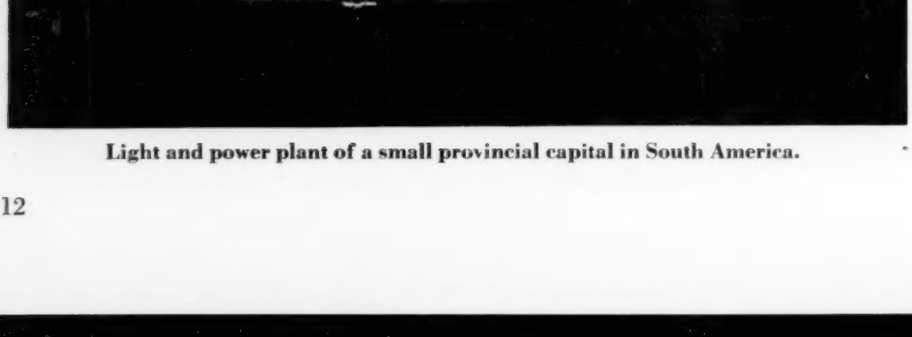
| States | Thermoelectric | Hydroelectric | Total |
|---|---|---|---|
| Amazonas | 3,815 | ..... | 3,815 |
| Para | 12,062 | 18 | 12,080 |
| Maranhao | 2,425 | 99 | 2,524 |
| Piaui | 2,026 | ..... | 2,026 |
| Ceara | 12,217 | 278 | 12,495 |
| Rio Grand do Norte | 4,034 | ..... | 4,034 |
| Paraiba | 11,498 | 253 | 11,851 |
| Pernambuco | 43,352 | 4,540 | 47,892 |
| Alagoas | 10,233 | 4,958 | 15,191 |
| Sergipe | 4,225 | 405 | 4,630 |
| Bahia | 7,972 | 15,573 | 23,545 |
| Minas Gerais | 9,776 | 170,450 | 180,226 |
| Espiritu Santo | 1,053 | 8,009 | 9,062 |
| Rio de Janeiro | 21,976 | 325,641 | 347,617 |
| District Federal | 15,312 | 376 | 15,688 |
| Sao Paulo | 20,272 | 656,316 | 676,588 |
| Parana | 2,620 | 24,493 | 27,113 |
| Santa Catarina | 7,067 | 17,227 | 24,294 |
| Rio Grande do Sul (1943) | 56,829 | 9,967 | 66,796 |
| Mato Grosso (1943) | 2,376 | 2,655 | 5,031 |
| Goias (1943) | 204 | 3,063 | 3,267 |
| Territories | 1,194 | ..... | 1,194 |
| Total | 252,538 | 1,244,321 | 1,496,959 |

SOURCE: Report of Joint Brazilian-U. S. Technical Commission, Feb. 7, 1949.

TABLE 3.—*Installed Capacity of Brazilian Power Plants, 1883–1947*

[In kilowatts]

| Year | Capacity | | | Number localities served |
|---|---|---|---|---|
| | Thermoelectric plants | Hydroelectric plants | Total kilowatts | |
| 1883 | 52 | ..... | 52 | 1 |
| 1900 | 6,585 | 5,500 | 12,085 | 17 |
| 1910 | 21,996 | 137,864 | 159,860 | 119 |
| 1920 | 77,825 | 279,378 | 357,203 | 431 |
| 1930 | 128,625 | 618,476 | 747,101 | 1,536 |
| 1940 | 182,318 | 924,199 | 1,106,517 | 2,205 |
| 1945 | 217,540 | 1,101,879 | 1,319,419 | 2,695 |
| 1947 | 257,738 | 1,248,406 | 1,486,144 | 2,806 |



**Light and power plant of a small provincial capital in South America.**

### *Hydroelectric Sources of Brazil*

Studies designed to evaluate the waterpower resources of Brazil were begun in 1920 under the direction of the Minister of Agriculture. Ten years later, a Water Service was established in that Ministry which contained systematic surveys, and developed the fact that power potentialities of more than 3,300,000 kilowatts existed at approximately 260 places

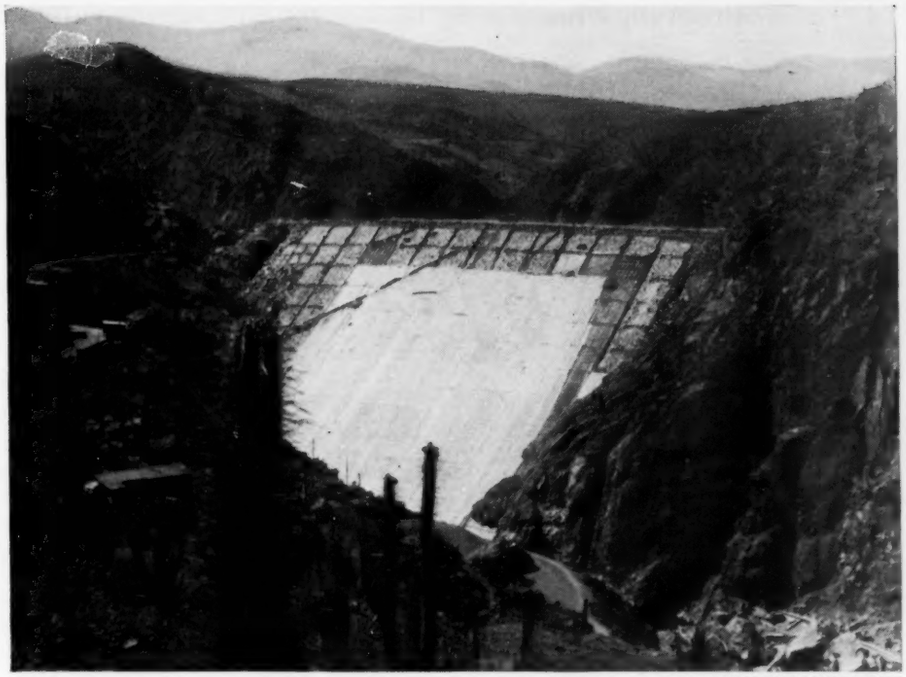
throughout the country. The entire hydroelectric potentiality of Brazil has also been studied by the Water Service on a basis considered by that Service to be conservative. These estimates, based on a rate of flow of 95 percent of the time, indicated a total power potentiality of 14,360,000 kilowatts, divided among the country's river basins as follows:

| River basin | Potential kilowatts | Percentage of country's total |
|---|---|---|
| Parana | 7,150,000 | 49.8 |
| Amazon | 3,230,000 | 22.5 |
| Eastern | 1,980,000 | 13.8 |
| Sao Francisco | 1,160,000 | 8.1 |
| Southeastern | 560,000 | 3.9 |
| Uruguay | 150,000 | 1.0 |
| Paraguay | 70,000 | .5 |
| Northeastern | 60,000 | .4 |
| Total | 14,360,000 | 100.0 |

Determination of Brazil's hydroelectric potential is difficult not only because of the vastness of the country itself, but because of the great areas which have been and still are undeveloped and unknown to civilization. As a result, therefore, the estimates of hydroelectric potential which have been made in Brazil vary greatly as they have been based on meager surveys and on conjectures.

The Brazilian Government has shown considerable interest in extensive power development of Paulo Afonso Falls on the Sao Francisco River, because shortages of electric power have proved to be a hindrance to the industrial development of coastal cities. New plants, and the interconnection of high voltage transmission lines, will relieve the present dependency of Brazil's Northeastern section upon the Southern States for required manufactured goods.

Federal and state electrification projects in Brazil are being pressed to further the development of this source of domestic power, as it has long been realized that the country's water power resources are of prime necessity to its industrialization. If hydroelectric energy can be distributed to the principal centers of consumption at a reasonable cost per kilowatt, the economic position of the nation will be substantially advanced.



COURTESY CHILEAN EMBASSY

**At Cogoti Dam, in Chile.**

Brazil's National Plan of Electrification, which is included in the country's Salte Plan and referred to as the Energy Sector, would increase the installed hydroelectric capacity of the country over a 6-year period (1948–53) from 1,496,679 kilowatts to 2,713,744 kilowatts, or a total of 1,217,065 kilowatts. This is considered reasonable and indeed necessary if the present rate of Brazil's growth is to be maintained. For a country with the vast natural resources that exist in Brazil, the present installed capacity of .031 kilowatt per capita is low. The proposed installation will raise the per capita—allowing for normal population increase—to .05 kilowatt.

Since on occasion Brazil has installed between 140,000 kilowatts to 150,000 kilowatts annually, the proposal to install 200,000 kilowatts per year for a period of 6 years is not considered out of line, inasmuch as more than 80 percent of the new capacity is to be in the form of extensions and additions to existing systems.

The Electrical Energy Development Program recommends the expansion of rural electrification over the 6-year period outlined above.

TABLE 4.—*Summary of Electrical Industry, Brazil, June, 1883–December 31, 1947*

| Item | 1883 | 1889 | 1900 | 1910 | 1920 | 1930 | 1940 | 1947 |
|---|---|---|---|---|---|---|---|---|
| Localities served | 1 | 3 | 17 | 119 | 431 | 1,536 | 2,205 | 2,923 |
| Supplying companies | 1 | 3 | 11 | 88 | 306 | 791 | 1,212 | 1,602 |
| Plants: | | | | | | | | |
| Steam | 1 | 2 | 6 | 28 | 134 | 377 | 740 | 876 |
| Hydroelectric | | 1 | 5 | 60 | 204 | 541 | 732 | 918 |
| Mixed | | | | | 5 | 13 | 27 | 16 |
| Total | 1 | 3 | 11 | 88 | 343 | 891 | 1,499 | 1,810 |
| Installed capacity, in kilowatts: | | | | | | | | |
| Steam | 52 | 3,143 | 6,585 | 21,996 | 77,825 | 128,625 | 182,318 | 252,538 |
| Hydroelectric | | 1,475 | 5,500 | 137,864 | 279,378 | 618,476 | 924,199 | 1,244,321 |
| Total | 52 | 4,618 | 12,085 | 159,860 | 357,203 | 747,101 | 1,106,517 | 1,496,859 |
| Average percent rate of annual cumulative development | | 29.5 | | 8.4 | 7.6 | 4.0 | 4.4 | |

### *Coal and Petroleum*

No accurate and comprehensive catalog of Brazil's known mineral wealth exists, and estimates vary considerably.

In peacetime years, coal and such petroleum products as gasoline and combustible oils have been among the principal import items of Brazil. The severe curtailment of imported fuels during the war demonstrated to Brazil the necessity for exploiting and developing the country's native fuel and power resources.

The three principal sources of Brazil's coal imports in 1937 were Germany (47 percent), United Kingdom (40 percent), and United States (9 percent). The balance was supplied from other sources. By 1947, the pattern of Brazil's coal imports had completely changed, as imports from the United States accounted for 90 percent and the remainder was supplied by South Africa.

Brazilian coal deposits, while extensive, are of low caloric value; the coal, however, needs processing to enhance its value as fuel.

An anthracite coal bed was recently discovered in Amapa Territory in the northern part of Brazil, and it is hoped that it may do much toward supplying the country's needs of that type of fuel.

Production of coal is primarily centered in the State of Rio Grande do Sul, where the Sao Jeronimo and Butia mines

(Continued on p. 42)

Program Under Way To Improve Position—Long-Range Outlook Rather Favorable

# Top-Ranking Latin-American Ore, Chile's *Copper* Is Focus of Interest

BARNETT K. WALTERS

METALS AND MINERALS BRANCH,
COMMODITY DIVISION, OIT,
U. S. DEPARTMENT OF COMMERCE

CHILE, traditionally one of the world's most important producers of copper, did not become a principal contributor to United States supplies until World War II. During the war years the United States took practically all of Chile's output, most of which had previously gone to European markets. The position of the United States, changed from that of an important exporter of copper to that of a major importer, has brought Chile into prominence as its principal supplier. The dependence of the United States on Chile for copper supplies is paralleled by Chile's need for a major outlet for its copper industry.

In connection with copper imports into the United States a matter of timely interest is the consideration by the Congress of a currently suspended import tax on copper. The 4-cents-per-pound tax was suspended on April 30, 1947, until June 30, 1950. After this date, because of a concession granted to Chile at the Geneva negotiations, a tax of 2 cents per pound will become effective automatically on copper imports, as the law now stands.

Today Chile is substantially dependent on copper, particularly as a source of foreign exchange. By the late 1920's copper had supplanted nitrates as Chile's foremost export item. During the depression years of the early thirties, world demands for Chilean nitrates declined abruptly and never fully recovered. As a result, despite a sharp decrease in production and exports in the period 1930–32, copper became increasingly important in Chile's export trade. In 1938, it accounted for nearly 50 percent of the nation's total shipments abroad, and in 1948 for 60 percent.

## Development of the Copper-Mining Industry in Chile

COPPER IS FOUND in the coastal range and in the slopes of the Andes, in both the northern and central regions. Before colonization, the Indians had worked copper deposits in Chile for centuries. After the arrival of European settlers, commercial interests further developed the mining of copper, and by 1821 Chile was producing the majority of the world's output, obtaining it in the coastal range within 30 miles of the sea, with two-thirds of the production from the three districts of Tomayo, Carrizal, and Chanaral.

During this early period, 10 of the largest mines contributed to an annual production of 48,000 metric tons, and of this group the Compañía Minera Disputada de las Condes is still working the old Condes mines. An American engineer is getting a small quantity from the old Cerro Blanco mine near Copiapo, and recently an organization has reactivated the Exploradora mine in the Atacama desert. Another mine known as Mercedes de Salado is still active at the old Salado deposit. Of the original 10 locations mentioned, only 4 are inactive at this time.

## Present-Day Copper Operations in Chile

### *The Large Companies*

Today Chile's output of roughly 350,000 to 400,000 tons of copper annually, or about one-fifth of the world's ouput, is second only to the United States. The other leading producers of the world are Northern Rhodesia, Canada, and the Belgian Congo, in that order.

Approximately 95 percent of the country's total output is produced by the three American-owned properties, developed earlier in this century. By 1939 these companies had invested $350,000,000 in plants and equipment for the processing of low-grade ore. During World War II, and since then, further investments have been made.

Chuquicamata, the most extensive of these operations and the largest single mining property in the world, is in the northern Province of Antofagasta. Property of the Chile Exploration Co. owned by the Anaconda Copper Mining Co., Chuquicamata's vast deposits of low-grade ore, obtainable at low cost, are four times as large as the great copper deposits in Katanga Province in the Belgian Congo. Chuquicamata is estimated to contain more than a billion tons of known and probable ore with a copper content of more than 2 percent, roughly one-fifth of the world's copper reserves.

Located in the heart of the Atacama desert, about 150 miles from the port city of Antofagasta, Chuquicamata nevertheless has a habitable climate. Water is piped in from sources in the Andes some 50 miles away, and electric power is furnished by a company-owned plant on the coast 87 miles to the west at Tocopilla. Production during World War II was increased 22,700 metric tons by the U. S. Defense Plant Corporation's $5,000,000 expansion of Chuquicamata's oxide leaching plant. An additional $276,000 provided under the U. S. Defense Plant Corporation's program made possible the expansion of power facilities at Tocopilla.

Chuquicamata produced 208,000 metric tons of copper in 1948. The ore is extracted by means of electric power shovels in open pits and then processed by leaching, a method of separating the metal from salts by use of sulfuric acid; the resultant solution is electrolyzed to obtain the copper. The product, electrolytic cathode copper, is melted and cast into bars for rail shipment to the port of Antofagasta to be placed on ocean carriers.

Mining and processing operations at Chuquicamata have been confined to oxide deposits, but, inasmuch as this type of ore is rapidly becoming exhausted, it has been increasingly necessary for the company to direct attention to the abundant deposits of copper sulfides. In 1948, a long-range program for mining and processing sulfide ores was initiated when an agreement was signed between the Chilean Government and the Chilean Exploration Company for construction of a new plant. This will require an investment of $130,000,000, of

which $60,000,000 has been scheduled for spending during the first 4 years. Moreover, this installation will not only prevent a decline from present production levels but will increase capacity at Chuquicamata from its current 195,000 metric tons of copper yearly to 245,000 tons.

El Teniente, ranking second among Chilean copper producers, is a Braden Copper Co. property, located in the central Province of O'Higgins at Sewall, some 70 miles from Santiago. A Kennecott Copper Corp. subsidiary, this operation is reported to be the largest underground mine in the world, with production in 1948 totaling 149,000 tons of copper. Reserves on January 1, 1945, were estimated at more than 150,000,000 metric tons of 1.7 percent ore containing 2,600,000 tons of copper. Accessible only by a narrow-gage railroad, Sewall is served by two trains daily which connect with the national railway at Rancagua. All supplies necessary for the mine and community must come over this railroad. Weather conditions here are not as favorable as those found at Chuquicamata, and for short periods in the winter heavy snows and landslides isolate the town.

Concentrates from the mine are carried by aerial tramway to the smelter at Caletones in the valley 4 miles away. Some of the smelter product is fire-refined before shipment, but most of it is cast into bars of blister copper and sent by rail to the port of San Antonio to be exported.

Potrerillos, the third most important copper mine in Chile is located at Potrerillos, Province of Atacama, 75 miles east of Barquito. This mine is the property of the Andes Copper Co., also an Anaconda subsidiary. Smallest of the major producers, Potrerillos produced 68,000 tons in 1948. This property can be reached by rail or road. The company operates its own railroad which joins the main north-south line at the junction town of Pueblo Hundido. The climate is relatively moderate, with some snow in winter. A hydroelectric power plant at Barquito furnishes electricity, and water is piped from sources high in the Andes some 150 miles away.

Ore reserves at the beginning of 1945 were approximately 55,000,000 metric tons averaging 1.21 percent copper. Ore mined at this site is of low-grade porphyry, about 65 percent of which carries copper-sulfide values and the remainder oxide copper. Underground mining is practiced, and the crude ore is transferred to Potrerillos where the crushing and refining operations are conducted.

The line of demarcation between the oxide and sulfide ores is sharp, each requiring a different treatment. The oxide ore is leached with sulfuric acid—the leached liquor electrolyzed and copper deposited—whereupon it is melted and cast into bars. The sulfide ore is concentrated by flotation. The concentrates are then roasted and smelted to produce blister copper. The electrolytic and blister copper are both shipped by rail to Barquito for exporting.

**Partial view of reduction plant at Chuquicamata.**

United States interests are not restricted to the three major properties described. Geologists employed by these companies are constantly searching for new copper deposits, and one of the most promising discoveries in recent years was reportedly made in the north of Chile near Sierra Gorda. In 1948, Anaconda's subsidiary, the Compañía Sud Americana Exploración de Minas, took an option on the mining property known as "El Tesoro," which (according to a Miners Credit Bank engineer) contains a probable ore body of 300,000,000 tons with a copper content of over 3 percent.

### *The Medium and Small Producers*

About 4 percent of the production of Chilean copper is from 17 smaller mines; some are controlled by French and some by United States interests, but the majority are owned by Chilean nationals. The remaining 1 percent of copper comes from numerous small mines, all operated by Chileans. Of the minor producers the most important in 1948 were the Compagnie Minière du M'Zaita at Chagres, near Valparaiso, and the Compañía Minera Disputada Las Condes, east of Santiago.

For economic reasons these small producers must restrict their operations to treatment of high-grade ore, leaving the large organizations to process low-grade ore. Even so, except for Government assistance through its Miners Credit Bank, the small operators might be at a loss to dispose of their production. The Miners Credit Bank maintains ore-buying facilities throughout the country for purchasing high-grade ore for export. The tonnage of the ore purchased by the bank is not significant compared with that treated by the major producers, but the program furnishes an outlet for the output of the small miners.

In the interest of the small producers, the Government has embarked upon a comprehensive program which, among other things, calls for construction of a National Copper Smelter at Paipote in Atacama Province. Funds for the undertaking were derived from the general budget of the nation—80,000,000 pesos in 1948 and a similar amount in 1949. Cost of the smelter is estimated to be 250,000,000 pesos, and, of this total, the dollar expenditures will amount to approximately $3,165,000, of which nearly all will be used to buy machinery and equipment. An American firm, which also designed the smelter, holds the contract for supplying machinery and equipment. It is expected that the smelter will reduce approximately 120,000 tons of copper ore containing approximately 7,000 to 8,000 tons of copper annually.

The smelter should not only stimulate production of ores in northern Chile but should also increase available dollar exchange. Its proponents say it will relieve unemployment and, by being able to ship blister copper instead of high-grade ore, the small Chilean producers will realize more attractive returns. The opposing

viewpoint claims that the smelter is not economically sound and that past experience has shown that the ore can be treated in the United States and other large producing countries more economically. The opposition also contends that there are insufficient ore deposits in northern Chile to feed a plant of this size. Notwithstanding these objections, Chile is soon to have a national smelter which will be of service to the small mining industry of the nation.

## Other Copper Industries

THERE ARE TWO producers of semimanufactured and manufactured copper in Chile, the Manufacturas de Cobre (Madeco), and Fábrica de Materiales de Guerra del Ejército (Famae). Madeco, the larger of the two, in recent years has installed a new plant for production of copper tubes and piping, and it is estimated that the firm is now in position to export approximately 8,000 metric tons of manufactured products and 30,000 tons of semimanufactured items yearly.

Principal markets have been in neighboring Latin American countries, as well as Italy, Switzerland, Sweden, Portugal, and Norway. Most of the exports of Famae have been in the form of semimanufactured copper for Argentina.

## Wartime Production of Chilean Copper

BEFORE WORLD WAR II, Chilean copper was exported principally to European markets, but when hostilities began production was temporarily stranded without an outlet until the United States started taking nearly all the output. Wartime demands for copper stimulated world production to roughly 2,800,000 metric tons annually from a prewar average of 2,200,000 tons in the year 1937–39. Because of the increased requirements of the United States for wartime production, Chile's mine output of copper rose from 465,000 metric tons in 1941 to 489,000 in 1942, and reached a record output of 509,000 tons in 1943. The production in 1944 declined slightly to 499,000 tons. In 1942 alone the three leading companies produced 97 percent of Chile's entire output, with Chuquicamata accounting for 47 percent; El Teniente, 31 percent; and Potrerillos, 19 percent. The remaining 3 percent was contributed by minor producers. Smelters at Chagres and Natalgua, dependent for a number of years on small operators for smelter feed of ores and concentrates, were operated during the war for the account of the United States Government's Commercial Company on a "cost-plus" basis. At the same time, the United States Metals Reserve Company contracted for all of Chile's copper production. Compared with other leading copper-producing countries, Chile maintained its second-place position throughout the war.

TABLE 1.—*Chilean Production and World Production: Mine and Smelter Copper 1919–1949*

[Metric tons]

| Year | Mine production | | | Smelter production | | |
|---|---|---|---|---|---|---|
| | Chile | World | Chile's percent of world's production | Chile | World | Chile's percent of world's production |
| 1919 | n. a. | n. a. | | 80,000 | 994,000 | 8 |
| 1920 | n. a. | n. a. | | 99,000 | 959,000 | 10 |
| 1921 | n. a. | n. a. | | 59,000 | 558,000 | 11 |
| 1922 | 146,000 | 883,000 | 17 | 113,000 | 864,000 | 13 |
| 1923 | 206,000 | 1,273,000 | 16 | 162,000 | 1,217,000 | 13 |
| 1924 | 214,000 | 1,362,000 | 16 | 175,000 | 1,354,000 | 14 |
| 1925 | 243,000 | 1,496,000 | 16 | 177,000 | 1,403,000 | 13 |
| 1926 | 244,000 | 1,514,000 | 16 | 189,000 | 1,459,000 | 13 |
| 1927 | 243,000 | 1,523,000 | 16 | 226,000 | 1,518,000 | 15 |
| 1928 | 287,000 | 1,717,000 | 17 | 275,000 | 1,706,000 | 16 |
| 1929 | 321,000 | 1,938,000 | 16 | 303,000 | 1,904,000 | 16 |
| 1930 | 220,000 | 1,606,000 | 14 | 208,000 | 1,574,000 | 13 |
| 1931 | 223,000 | 1,403,000 | 16 | 216,000 | 1,363,000 | 16 |
| 1932 | 103,000 | 909,000 | 11 | 98,000 | 948,000 | 10 |
| 1933 | 163,000 | 1,045,000 | 16 | 157,000 | 1,050,000 | 15 |
| 1934 | 257,000 | 1,284,000 | 20 | 248,000 | 1,323,000 | 19 |
| 1935 | 267,000 | 1,496,000 | 18 | 260,000 | 1,528,000 | 17 |
| 1936 | 256,000 | 1,726,000 | 15 | 245,000 | 1,719,000 | 14 |
| 1937 | 413,000 | 2,329,000 | 18 | 396,000 | 2,343,000 | 17 |
| 1938 | 352,000 | 2,063,000 | 17 | 338,000 | 2,038,000 | 17 |
| 1939 | 339,000 | 2,192,000 | 15 | 325,000 | 2,175,000 | 15 |
| 1940 | 352,000 | 2,439,000 | 14 | 337,000 | 2,480,000 | 14 |
| 1941 | 465,000 | 2,634,000 | 18 | 454,000 | 2,635,000 | 17 |
| 1942 | 489,000 | 2,686,000 | 18 | 478,000 | 2,766,000 | 17 |
| 1943 | 509,000 | 2,714,000 | 19 | 489,000 | 2,756,000 | 18 |
| 1944 | 499,000 | 2,525,000 | 20 | 490,000 | 2,584,000 | 19 |
| 1945 | 446,000 | 2,141,000 | 21 | 440,000 | 2,185,000 | 20 |
| 1946 | 359,000 | 1,846,000 | 19 | 352,000 | 1,856,000 | 19 |
| 1947 | 414,000 | 2,210,000 | 19 | 409,000 | 2,251,000 | 18 |
| 1948 | 448,000 | 2,321,000 | 19 | 425,000 | 2,341,000 | 18 |

n. a. =Not available.

SOURCE: Minerals Yearbooks, Bureau of Mines, U. S. Department of the Interior.

Table 1 shows Chilean copper production, mine and smelter, compared with that for the world, 1919 through the first 9 months of 1949.

## Postwar Problems and Developments

DESPITE the wartime boom, Chile held a rather "dim view" of postwar markets. Having divorced itself from prewar European markets, the country foresaw stiffer competition in trying to regain its previous position. Whether it could look to the United States to take some of its output would depend on certain conditions within the United States itself—that is, the level of industrial copper requirements; the likelihood of a Government stockpiling program; the disposition of vast quantities to scrap copper; the use of lighter metals in place of copper; and the duty on the United States imports of foreign crude and refined copper.

The Chilean Government and the copper industry have had their postwar troubles. Although some curtailment of copper production after the war was anticipated, labor disputes arose unexpectedly to reduce copper production significantly and jeopardize the nation's economy. Consequently, mine output of copper dropped from 446,000 metric tons in 1945 to 359,000 tons in 1946. Labor conditions continued to hamper production into 1947, though considerably less than in the preceding year. Mine output in 1947 climbed to 414,000 metric tons, or an increase of 16 percent over 1946.

Early in 1948, the Chilean Government expressed optimism over the success of its campaign to eliminate Communist leadership from the labor movement. At the same time the Government indicated that non-Communists were competing in labor unions for influential positions that were formerly held by Communists.

The labor problem has been principally a concern of the large operators. The Braden Co. signed an agreement in April 1948, granting a special bonus and Sunday pay, and continued a policy of equivalent wage increases whenever there occurred a 5 percent increase in certain items of the cost-of-living index. Later in the year a dispute which had held up shipments of copper was settled between the Andes Copper Co. and the Potrerillos Railroad.

The small copper producers have been beset with problems somewhat different from those of the major producers. The high cost of production together with increasing freight costs and the rising cost of living have provoked a desperate situation.

As a typical example of the conditions under which the small companies were struggling, the Compañía Minera de Tocopilla, in Antofagasta Province, in 1948 petitioned the Government for permission to shut down. It stated that the National Trade Council had failed to comply with law 5107 authorizing pro-

ducers to dispose of their own foreign exchange. The company further declared the Government was disregarding the law by not issuing import permits to it. Admittedly, the Government had granted aid to small producers by increasing the rate of dollar exchange to commercial banks from 31 to 37 and later 40 pesos, but, despite this, production costs had increased by 60 percent, according to the company which produced about 490 tons of concentrates monthly in 1947. In requesting permission to close down, the company further said: "The scarcity of machinery and spare parts and the difficulty of acquiring them abroad obliged us to transfer some machinery from one installation to another. . . ." The petition concluded by contending, "We cannot continue to work under present conditions, much less operate at a loss."

The Government's policy all along has been one of extending help to the small mining industry as a matter of national policy. The most recent example of this is the passage of a law in January 1950, authorizing the Miners Credit Bank to pay a subsidy up to US$0.0233 per pound on exports made in 1949 by these small producers. The subsidy resulted from a drop in copper prices during the early part of 1949, and provides that in no case would the subsidy plus the effective price per pound of copper exceed $0.20. Funds amounting to 30,000,000 pesos have been allocated to the Miners Credit Bank for paying the subsidy.

## Market Conditions Affect Chilean Economy

THE SECOND QUARTER of 1949 was marked by a decline in the world copper markets, resulting in a price slump that seriously aggravated the Chilean economy and placed both the large and small operators in untenable positions.

It is interesting to trace the price pattern to understand what happened. After the war the price curve for copper followed an upward course. Electrolytic copper in the United States in late 1946 was 14.37 cents a pound under an OPA ceiling. But by December 1947, it had risen to 21.5 cents a pound where it remained fairly constant until July 1948 when it reached 23.5 cents per pound. This represents the highest point on the upward curve. Subsequently the price began to drop. In April 1949, it was down to 21.5 cents a pound, and by June to 16.0 cents a pound. From this low level, copper prices advanced again, reaching the March 1950 level of 18.5 cents a pound on November 3, 1949.

When the market break was apparent, the Minister of Finance issued a statement indicating that a drop in price would cause a decline of 800,000,000 pesos in Government revenues from copper taxes alone (almost $26,000,000 at the official rate of 31 pesos to the dollar). Viewing the matter with concern, the President of Chile on May 21, 1949, had voiced determination to take whatever measures might be necessary to sustain the domestic economy. He also reiterated the urgent need for industrial and agricultural development in order to decrease the nation's dependency on copper.

The effect of slumping prices on the large copper companies crystallized in the form of immediate steps to cut production, with some reductions in personnel. The Andes Copper Co., the high-cost producer, curtailed production drastically. Output in 1949 totaled 49,000 metric tons, 28 percent below the preceding year. Chile Exploration's output declined by 16 percent to 175,000 tons and Braden's by 15 percent to 127,000 tons. The strengthening of the market gave rise to some improvement in production toward the latter part of the year. Nevertheless, smelter production in 1949 was only 351,000 tons, compared with 425,000 tons in 1948, and, in December 1949, output was still at the relatively low rate of 322,000 tons annually.

## Exports

TABLE 2 (presented at the end of this article) shows copper exports from Chile by classes and countries from 1919 through the first 9 months of 1949. The figures indicate the effect of world conditions on copper exports for the years given, reflecting these aspects; the increased demands after World War I and through the prosperous 1920's to the depression in 1929, when both production and exports decreased greatly; recovery from that depression in the early 1930's and relative prosperity thereafter; the loss of European markets at the onset of World War II along with increased output and exports to the United States; and finally the postwar period of labor disturbances, temporary saturation of world markets accompanied by falling prices, and subsequent partial recovery.

## The Copper Industry As a Source of Revenue

COPPER PROVIDES a substantial portion of the Chilean Government's revenue in the form of taxes, duties, and other levies—not to stress the money left in the country as wages, and for purchase of supplies and equipment. In 1949, the large copper companies were scheduled to provide an estimated total of $116,730,000 to the Government in the form of dollar exchange. For the same year the Government's receipts of foreign exchange from all sources in all currencies totaled $246,000,000.

The largest single source of dollar exchange provided by the major copper companies resulted from a regulation governing peso payment for production costs. Under this regulation, the companies were required to purchase pesos at the rate of 19.37 per dollar to cover production costs. The Government in turn sold the dollars at a much higher rate, ranging from 31 to 60 pesos per dollar. A preliminary estimate for 1949 indicated that the Government would receive $63,500,000 from this source.

A second tax on the large companies is on their net incomes, on which they pay a normal tax of 13 percent. To this is added an extraordinary tax of 2 percent, with a 30 percent surcharge on both these taxes, resulting in a total tax rate of 19.5 percent on net income. The U. S. owned companies are further required to pay an additional 10 percent on profits or income from all their Chilean investments and operations, to which is fixed a 3 percent extraordinary tax.

A tax on copper sales became law in 1942. Designated as extraordinary tax law number 7160, this levy stipulated that, for companies producing more than 20,000 tons annually, 50 percent of the difference between a base price (10 cents for electrolytic, 9¾ cents for fire refined, and 9⅝ cents for blister copper) and the actual sales price must be paid to the Government in June and November following the year in which sales were made. In March 1947, base prices were modified to provide that 50 percent of the difference between 13½ cents for electrolytic, 13¾ cents for fire refined, and 13⅛ cents for blister copper and the sales price must be paid during the current year. For the smaller companies the tax is based on the difference between the price of copper on board ship in New York and the price that could have been obtained prior to January 1, 1942. Government receipts from 1946 sales, paid in 1947 under law 7160, totaled $17,500,000. Payments under the modified version, law 8758, amounted to approximately $25,000,000 in 1947.

In September 1947, an emergency measure included a provision to increase

(Continued on p. 48)

Squirrel hunting was permitted in all of Finland beginning December 1949. From December through the middle of February, 1,300,000 pelts had been counted. However, Lapland squirrel was not of as good quality as the 1948 pelt. The crop of other animals was insignificant, amounting to only about 200,000 muskrat pelts, 10 percent more than in 1948; 2,000 ermine; and from 3,000 to 4,000 polecats and nutria. The Finnish Federation of Fur Producers estimated the farm crop as follows: Mink, 35,000 pelts; silver fox, 15,000; blue fox, 15,000; and platinum fox, 2,000 to 3,000.



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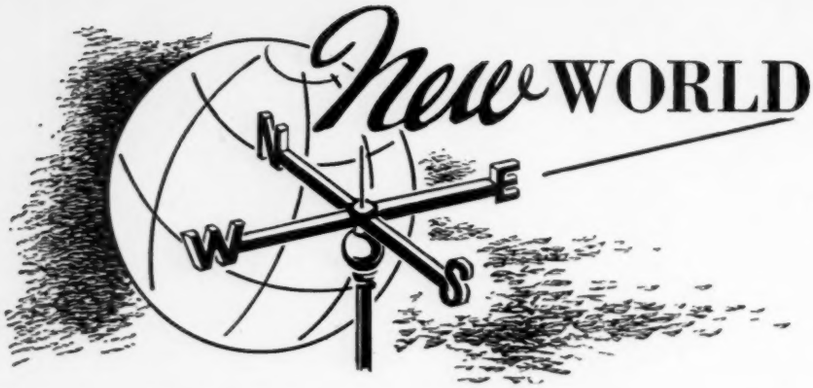

# New WORLD TRADE LEADS

**Prepared in the Commercial Intelligence Branch, Office of International Trade**

## Equipment for Greek Ministry of Public Works

The Reconstruction Procurement Committee of the Ministry of Public Works, Athens, Greece, invites bids covering supply of the following equipment:

1. One trench excavator. Bids close *April 21, 1950.*
2. Fourteen hydraulic jacks. Bids close *April 12, 1950.*
3. Twenty current meters and 80 spare parts. Bids close *April 12, 1950.*
4. Two 3-ton trucks, Stake-Botty type, with twin differentials. Bids close *April 14, 1950.*
5. Ten time meters, similar to "Stura" type. Bids close *April 12, 1950.*
6. One cement-testing outfit. Bids close *April 14, 1950.*
7. Ten aerial current meters' transportators. Bids close *April 13, 1950.*
8. Special drill steel. Bids close *April 20, 1950.*
9. Vitrified-clay plates and pipes. Bids close *April 21, 1950.*
10. One geophysical earth tester. Bids close *April 13, 1950.*
11. Two 3- to 4-ton semitrucks. Bids close *April 13, 1950.*
12. One automatic photographic processing machine. Bids close *April 21, 1950.*
13. Two automatic business time clocks. Bids close *April 19, 1950.*
14. Three thousand five hundred metric tons of asphalt, 85–100 penetration, and 3,000 metric tons of asphalt, 150–200 penetration. Bids close *April 18, 1950.*
15. One grader (bulldozer). Bids close *April 14, 1950.*
16. Three current meters and 22 spare parts. Bids close *April 12, 1950.*
17. Five thousand l. m. of asbestos cement pipe, 300-mm. diameter. Bids close *April 18, 1950.*
18. Two station wagons. Bids close *April 18, 1950.*
19. Two excavators for small ditches. Bids close *April 14, 1950.*
20. Two cement-testing outfits. Bids close *April 20, 1950.*
21. One vertical press. Bids close *April 19, 1950.*
22. One metal saw. Bids close *April 18, 1950.*
23. Forty operation-recording clocks. Bids close *April 20, 1950.*
24. Three 25-ton flat-bed trailers. Bids close *April 12, 1950.*
25. Four gasoline distribution pumps. Bids close *April 14, 1950.*
26. One machine for production of charts in relief. Bids close *April 22, 1950.*
27. Two pile-driving hammers. Bids close *April 15, 1950.*
28. Two concrete compressors. Bids close *April 15, 1950.*

### *Editor's Note*

The firms and individuals listed herewith have recently expressed their interest in buying or selling in the United States, or in the representation of United States firms. Most of these trade opportunities have been reported by American Foreign Service officers abroad, following requests by local firms for assistance in locating American trade contacts. Interested United States firms should correspond directly with the firms listed concerning any projected business arrangements. Additional information concerning these trade opportunities, including samples, specifications, or other descriptive material, where these are available, may be obtained from the Commercial Intelligence Branch.

While every effort is made to include only firms or individuals of good repute, the Department of Commerce cannot assume any responsibility for any transactions undertaken with these firms. The usual precautions should be taken in all cases, and all transactions are subject to prevailing export and import controls in this country and abroad. Since all trade with occupied areas is subject to regulations and controls currently prevailing in this country and in those areas, interested United States firms should by all means acquaint themselves with these conditions before entering into correspondence with these firms. Detailed information on trading conditions in the occupied areas is available from the Department's Office of International Trade.

World Trade Directory Reports are available to qualified United States firms on the firms listed herein, *with the exception of those in occupied areas,* and may be obtained upon request from the Commercial Intelligence Branch of the Department of Commerce, or through its Field Offices, for $1 each.

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*Forest Products:* 34, 53.
*Glass and Glass Products:* 28, 34, 35, 69.
*Grain:* 75.
*Household Goods:* 23, 28, 32, 53, 69.
*Jewelers' Items:* 28, 69.
*Leather and Leather Goods:* 40, 53, 69.
*Machinery and Assessories:*
Agricultural—24, 73.
Industrial—6, 8, 24, 26, 27, 33, 47, 48, 55, 60, 61, 65, 78, 81.
*Metals and Metal Products:* 28, 31, 34, 38, 57, 58.
*Microscopes and Binoculars:* 19.
*Minerals and Ores:* 4, 44, 45.
*Notions:* 28, 36, 66.
*Novelties:* 20, 23, 62, 66, 69.
*Office Equipment:* 34, 53.
*Oil:* 59.
*Paints and Enamels:* 56, 60, 70.
*Paper and Paper Products:* 58, 69.
*Patent Rights:* 73.
*Photographic Equipment:* 1, 19, 22.
*Radios:* 79.
*Railway Cars:* 72.
*Rice Milling Products:* 67.
*Rubber Goods:* 10.
*Scales and Measures:* 28.
*Ship:* 82.
*Sporting Goods:* 21, 28, 37, 41.
*Stationery Goods:* 64, 71.
*Technical Information and New Developments:* 72, 79, 80.
*Textiles:* 23, 28, 29, 34, 53, 69.
*Toilet Articles:* 39, 69.
*Tools (hand and machine):* 24, 43.
*Toys:* 20, 66, 69.
*Veterinary Products:* 49.
*Waste Products:* 58.
*Wire and Wire Products:* 28.
*Yarns:* 63.
*Zinc:* 54, 57.

29. One composing and casting machine (monotype). Bids close *April 21, 1950.*

30. Fifteen tons of weed killer. Bids close *April 14, 1950.*

31. Compressed-air steel pipes, 4 inches in diameter. Bids close *April 20, 1950.*

32. Special alloy steel for manhole steps. Bids close *April 20, 1950.*

33. One caterpillar-type crawler tractor. Bids close *April 15, 1950.*

34. One crane mounted on wheels. Bids close *April 15, 1950.*

35. One automatic contact printer. Bids close *April 21, 1950.*

36. Two gasoline-driven concrete vibrators. Bids close *April 13, 1950.*

37. Two vertical pumps of 42" diameter and 41,000-gallon output per minute. Bids close *April 15, 1950.*

38. Three hundred fifty cubic meters of timber, quality fir. Bids close *April 21, 1950.*

39. Two light trucks. Bids close *April 19, 1950.*

40. Eighteen hydraulic jacks. Bids close *April 15, 1950.*

41. Two dump trucks, 3-ton with twin differentials. Bids close *April 15, 1950.*

42. Structural steel. Bids close *April 20, 1950.*

43. One caterpillar tractor D–6 or similar. Bids close *April 12, 1950.*

44. Two portable workshops. Bids close *April 18, 1950.*

45. One hundred dozen wire brooms. Bids close *April 18, 1950.*

46. One Diesel engine, 175 hp. and 500 to 750 rvs. Bids close *April 14, 1950.*

47. Two thousand water meters. Bids close *April 17, 1950.*

48. One dryer for aerotopographic film. Bids close *April 21, 1950.*

Copies of specifications and bidding conditions covering the foregoing are available on a *loan basis* from the Commercial Intelligence Branch, U. S. Department of Commerce, Washington 25, D. C., or from the Department of Commerce Regional Office, 42 Broadway, New York 4, N. Y. Interested parties are asked to specify by number and commodity as above the specifications desired.

Bids must be submitted no later than the date specified in each instance to the Reconstruction Procurement Committee, Ministry of Public Works, Government of Greece 7, Themistocleous Street, Athens, Greece.

## Peru Seeks Aid in Building New Railway

Construction companies and firms interested in investment abroad are invited by the Peruvian Government to submit bids covering construction and financing of the proposed Tambo del Sol-Pucallpa Railway. Proposals are desired if possible before the end of April 1950.

General characteristics of the line are as follows: (1) Total length, approximately 580 kilometers; (2) gauge, standard (1.435 meters); (3) maximum gradient, 3 percent (compensated); and (4) weight of rails, 80 pounds per yard.

Preliminary studies indicate that the overall cost of the project will be approximately 418,000,000 soles. It has been estimated that, with Government financing alone, the project could be completed in not less than 12 years. However, it is desired to complete construction within 5 years, and for this reason, it has been decided to obtain financial assistance from private interests. Authorization and interest payments on any loans would be guaranteed by annual Government revenues already assigned to the railway.

Although the Peruvian authorities realize that a detailed study of the entire route must be made before definite propositions could be made, they propose that, pending completion of such a study, work be started immediately on a cost-per-unit basis, to be mutually agreed upon by the interested parties.

The Peruvian Government has already completed final surveys of approximately 30 kilometers of the route and plans to begin construction at the end of the wet season in May. It hopes to complete 32 kilometers by the end of the year, thereby losing no time while arrangements for the entire project are being formulated.

A copy of the Peruvian press announcement of the project (in Spanish), together with several maps and a longitudinal profile sketch, are available on a *loan basis* from the Commercial Intelligence Branch, U. S. Department of Commerce, Washington 25, D. C.

Firms and organizations interested in the foregoing proposal may communicate with the Ministerio de Fomento (Ministry of Development), Dirección General de Caminos y Ferrocarriles, Lima, Peru.

## Bids Invited on Second Phase of Toronto Subway

United States contractors and construction firms are invited by the Toronto (Canada) Transportation Commission to submit bids for the construction of sections 3, 4, and 5 of the Toronto rapid-transit subway. Construction of the first two sections was begun in September 1949 and is expected to be completed by March 1951.

Contractors may bid on any one of the sections, or on all three. Section 3, approximately 3,814 feet long, contains a short section of "open cut" construction, but will in general continue the "cut and cover" construction now under way on the first two sections. Section 4, which lies out of the principal business district of Toronto, will consist of 4,525 lineal feet of "open cut" construction and will contain 850 feet of subway in various sections. Section 5 will be 2,100 feet long and entirely of subway construction.

Additional information may be obtained on request from the Commercial Intelligence Branch, U. S. Department of Commerce, Washington 25, D. C. Complete plans and specifications may be obtained from the Toronto Transportation Commission, 35 Yonge Street, Toronto, Canada, upon deposit with the commission of the sum of $100, which is refundable if the documents are returned in good condition within 10 days after opening of bids.

Sealed bids must be received by the commission in Toronto no loater than *May 10, 1950.*

## Swedish Visitor To Study Textile Industry

Bertil Melin, a representative of Lennings Textiltekniska Institut (Textile Institute of Norrkoping), Norrkoping, Sweden, is spending about 3 months in the United States for the purpose of studying latest developments in textile machinery, textile weaving, and in-plant training programs in operation in the United States woolen industry.

The textile institute is a private organization, subsidized by the Swedish Government and the city of Norrkoping, which engages in textile research and testing.

Mr. Melin expects to visit Washington; Philadelphia; Boston, Lowell, Worcester, Lawrence, Orange, and North Andover, Mass.; Cleveland; and Passaic, N. J. He may be contacted through the American-Swedish News Exchange, Rockefeller Center, New York City.

## El Salvador Invites Bids To Construct Highway Bridges

Bids covering construction of two steel highway bridges—one, 180 feet long, and the other, 140 feet long, are invited until *April 29, 1950,* by the Procurement Agency of the Salvadoran Government. Specifications and bidding conditions (in Spanish) are obtainable on a *loan basis* from the Commercial Intelligence Branch, U. S. Department of Commerce, Washington 25, D. C.

Bids should be addressed to Proveeduría General de la República, San Salvador, El Salvador.

## South Africa Interested in Egg-Processing Machinery

The Food Control Office, in Pretoria, Union of South Africa, wishes to obtain from American manufacturers illustrated and descriptive literature covering egg-washing and egg oil-dipping machinery which performs the egg washing, drying, and oil-dipping operations in one continuous process. It is believed that such machinery would be particularly adaptable to conditions in South Africa.

Firms in a position to supply such equipment are invited to communicate with A. Owen-John, Food Control Office, Impala House, Pretoria, Union of South Africa.

## Laces and Embroideries From the Philippines

Philippine exporters of laces and embroideries are reportedly now in a position to make substantial exports to the United States. Embroidered articles produced for export consist principally of infants' wear, women's lingerie and blouses, and men's hand-rolled handkerchiefs.

A list of Philippine producers and exporters of laces and embroideries is available, subject to a charge of $1, from the Commercial Intelligence Branch, U. S. Department of Commerce, Washington 25, D. C., or from any Department of Commerce Field Office.

## Rail Equipment for North Syrian Railroads

The Directorate of the North Syrian Railroads wishes to receive bids covering supply and delivery of the following equipment for standard gage IM 435:

1. Diesel locomotives: five 1000 horsepower, two 400 horsepower, and two 150 horsepower.

2. Diesel self-propelled carriages: four 400 horsepower.

Quotations should be submitted to the Directorate, North Syrian Railroads, P. O. Box 182, Aleppo, Syria (cable address: Sikkethadid).

## Greece To Buy Specially Equipped Trucks-Trailers

The Reconstruction Procurement Committee of the Ministry of Posts, Telephone, and Telegraph invites bids, until *April 18, 1950,* covering the supply and delivery of specially equipped trucks and trailers for use in the telecommunication-facility installations.

Quotations may be submitted direct by the foreign supplier or by his representative or special authorized agent in Greece, and should be addressed to the Reconstruction Procurement Committee, Ministry of Posts, Telephone, and Telegraph, Government of Greece, Argentine Street 4 (former Voulis Street 4), Athens, Greece.

Specifications and bidding conditions may be obtained on a *loan basis* from the Commercial Intelligence Branch, U. S. Department of Commerce, Washington 25, D. C.

## Further Imports From U. S. Authorized by Germany

Further allocations of foreign exchange for imports of various commodities from the United States have been approved by the Import Advisory Committee in Frankfurt-am-Main, Germany. The listing below indicates amounts of allocations, commodities to be purchased, and, where known, the names of German importers receiving the allocations. Additional information can be obtained by communicating with the secretariat of the German Import Committee, Verwaltung fuer Wirtschaft, McNair Barracks, Frankfurt Hoechst, Germany.

| | Amount |
|---|---|
| 1. High-quality steel sheets, bands, and tubes of special steel | $250,000 |
| 2. Manganese metal electrolytic, min. 99 percent | 15,000 |
| 3. Tellurium metal, min. 99 percent | 4,000 |
| 4. Cerium mixed metal, 50–55 percent Ce content | 55,000 |
| 5. Tantalum | 8,000 |
| 6. Cadmium metal, min. 99.9 percent | 17,000 |
| 7. Nickel and nickel-bearing residues | 21,000 |
| 8. Crude drugs | 75,000 |
| 9. Egg albumen for technical purposes | 75,000 |
| 10. Raw bones and hide cuttings | 300,000 |
| 11. Casein | 500,000 |
| 12. Animal glands (crude), and sheep guts (dried) for catgut and production of strings | 50,000 |
| 13. Insect waxes, crude | 25,000 |
| 14. Vegetable waxes, natural | 65,000 |
| 15. Gum rosin | 240,000 |
| 16. Wood rosins | 260,000 |
| 17. Wood turpentine including crude sulfate turpentine | 80,000 |
| 18. Gum turpentine | $135,000 |
| 19. Wool, unmanufactured | 4,000,000 |
| 20. Raw cotton | 1,850,000 |
| 21. Corozo nuts | 20,000 |
| 22. Raw tobacco (fire-cured) | 105,000 |
| 23. Cigar leaf tobacco | 200,000 |
| 24. Raw tobacco (Maryland) | 20,000 |
| 25. Raw tobacco (dark air-cured) | 10,000 |
| 26. Raw tobacco (Burley) | 165,000 |
| 27. Raw tobacco (flue-cured) | 660,000 |
| 28. Raw spliced goose feathers | 3,350 |
| Importers: | |
| Robert Vydra G. m. b. H., Roethenbach Pegnitz | $1,675 |
| Tobias Hellrich Christbaumfabrik, Nuremburg | 1,675 |
| 29. Electrical control and driving apparatus | 12,500 |
| Importer: Man Maschinenfabrik, Augsburg. | |
| 30. Nickel-bearing catalyser residues with Ni content 15–20 percent | 20,000 |
| Importer: Willy Bodensick, Hamburg 1. | |
| 31. Neat's foot oil | 8,000 |
| Importer: Heyl'sche Lederwerke Liebenau, Vorm. Cornelius Heyl, Werk Liebenau G. m. b. H., Worms/Rh. | |
| 32. Furs | 30,000 |
| Importers: | |
| Thorer & Hollender Kg., Frankfurt-am-Main | $10,000 |
| Arno Leipnitz, Frankfurt-am-Main | 10,000 |
| Christoph Funk zum Storchen, Biberach an der Riss | 10,000 |
| 33. Hides and skins | 50,000 |
| Importer: Heyl'sche Lederwerke Liebenau, Worms/Rh. | |

## Bids Invited by Greek Ministry of Hygiene

Bids are invited by the Reconstruction Procurement Committee of the Greek Ministry of Hygiene, Athens, Greece, for the following equipment:

1. Laboratory requirements for the Athens and Salonika Universities' medical schools. Bids close *April 22, 1950.*

2. Trailer-mounted, percussion well-drilling machines. Bids close *April 24, 1950.*

3. Centrifugal pump and Diesel motor assemblies. Bids close *April 24, 1950.*

4. Sewage tank trucks. Bids close *April 24, 1950.*

5. Water-operated hypochlorinators. Bids close *April 25, 1950.*

6. Steel pipe (well casing). Bids close *April 25, 1950.*

7. Venturi rate controllers. Bids close *April 25, 1950.*

Copies of specifications and bidding conditions covering the foregoing are available on a *loan basis* from the Commercial Intelligence Branch, U. S. Department of Commerce, Washington 25, D. C., or from the Department of Commerce Regional Office, 42 Broadway, New York 4, N. Y. Interested parties are asked to specify by number and commodity as above the specifications desired.

Bids must be submitted no later than the date specified in each instance to the Reconstruction Procurement Committee, Ministry of Hygiene, 56 Venizelou Street, Athens, Greece.

## Australian Cheese Available for Export to U. S.

Two hundred tons of various grades and types of Australian cheese have been allocated for shipment to the United States by the Australian Dairy Produce Board.

Interested importers and buyers may obtain further information by communicating with the Australian Government Trade Commissioner, 630 Fifth Avenue, New York, N. Y., or 440 Montgomery Street, San Francisco, Calif.

## Jamaican Visitor To Study Citrus Industry

Clarence Stanley Byles, on behalf of the Jamaican Department of Agriculture and the Citrus Growers Association, is visiting the United States for the purpose of studying citrus culture, citrus extension services, and citrus byproducts, marketing, and distribution.

Mr. Byles expects to spend about a month in this country and may be contacted c/o the U. S. Department of Agriculture Experiment Station, Lakeland, Fla.

### Licensing Opportunities

1. *England*—E. J. Wender (inventor, designer, and production engineer), c/o Grindlays Bank, Ltd., 54 Parliament Street, London, S. W. 1, seeks a United States firm willing to manufacture under license and/or joint manufacture under partnership basis, a *photo camera* with fully coupled exposure aperture and range finding. Specification of the "Wendar" camera is available on a *loan basis* from Commercial Intelligence Branch, U. S. Department of Commerce, Washington 25, D. C.

### Import Opportunities

2. *Australia*—Carter's Garage (garage and motor dealership, farming properties), Upper Mary Street, Gympie, Queensland, seeks United States markets for *duboisia leaves*, chiefly the *Duboisia leichardtii*, on a basis, f. o. b. packed in wool bales at the port of Brisbane. Firm estimates that it can harvest a minimum of 10 tons during 1950. Firm has furnished the following analyses by the Commonwealth Scientific and Industrial Research Organization, Canberra, of drug content of the leaves: *Duboisia myoporoides*, unless exceptional, should carry 0.5 percent to 2 percent hyoscine, expressed as a percentage of the dry leaf. There may or may not be also substantial amounts of hyoscyamine, but there will almost certainly be other alkaloids or alkaloidal bases present in quantity. Total alkaloids found may be as high as 5 percent *Duboisia leichardtii* which gives an average yield of hyoscine and hyoscyamine in a ratio of about 1 to 5. Price information may be obtained from Commercial Intelligence Branch, U. S. Department of Commerce, Washington 25, D. C.

World Trade Directory Report being prepared.

3. *Belgium*—F. A. van Tomme (export merchant), 101, rue des Hirondelles, Ostende, wishes to export first-quality *canned witloof (endive), and canned witloof (endive) with ham.*

4. *Cuba*—Salinas Artificiales Baitiquiri, S. A. (salt works), Apartado No. 129, Santiago de Cuba, Oriente Province, offers to export at least 5,000 tons of *gypsum rock*, at rate of 500 to 1,500 tons per month. Specifications: First-quality crystalline rock in large lumps. If required, ground to specified size, at additional cost. Analysis: S03—46.37 percent; CaSO4.2H2O—99.20 percent. Inspection available at quarry site, with round-trip traveling expenses between Santiago de Cuba and the site to be borne by Cuban firm. Date to be arranged 2 weeks in advance with Sr. J. Navarrete Kindelán, by mail, telephone, or cable.

World Trade Directory Report being prepared.

5. *England*—Allied National Corporation, Ltd. (buying and confirming house, engineers, and general exporters), Anco House, Buckingham Gate, London, S. W. 1, offers to act as *buying agents* on behalf of United States importers, for all classes of goods, from textiles to heaviest machinery, of British and Continental origin.

6. *England*—Britavia, Ltd. (oversea distributors), 1 Great Cumberland Place, London, W. 1, wishes to export *special marking and printing machines.* Catalog and specifications available on a *loan basis* from Commercial Intelligence Branch, U. S. Department of Commerce, Washington 25, D. C.

7. *England*—Byerley Johnson, Ltd. (buying agents, export merchants), 10 Old Street, London, E. C. 1, offers to act as *shippers and buyers* for American firms requiring goods (general merchandise) from Great Britain and European countries. Firm states that quotations would be based on original manufacturers' prices, and manufacturers' invoices would be submitted with an agreed small percentage charge only. Credit terms can be arranged to suit importers.

8. *England*—Deco Machinery, Ltd. (manufacturer), Percy Road, Leicester, offers to export and seeks agent for *wire-flattening mills, spooling and winding machines* for wire and tape. One set of literature and price lists available on a *loan basis* from Commercial Intelligence Branch, U. S. Department of Commerce, Washington 25, D. C.

9. *England*—Grimsby Frozen Products, Ltd. (manufacturer), Fish Docks, Grimsby, Lincolnshire, desires to export unlimited quantities of all types of frozen *sea fish*, top-quality. Quality inspection by the British Institute of Public Health and Hygiene, London. Firm states outright sale basis is preferred, but would consider sole selling agency.

10. *England*—Dr. Manfred Meyer (sales agent), 16 Heathland Road, London, N. 16, offers to export £2,000 worth each month of high-quality *rubber goods*, such as sports requisites, flooring, and dog toys.

11. *England*—The Overseas Engineering Co., Ltd. (manufacturer), 200 Bishopsgate, London, E. C. 2, is interested in exporting the following *automobile accessory:* Miniature automatic pump with puncture attachment, which connects to the fan belt and hub, pumps up and maintains air pressure in a punctured tire as the car is driven along. Firm states that as long as the engine is running, this accessory can be used not only for inflating tires, but for spraying, pumping up air cushions, dinghies, and tents. Illustrated leaflets are obtainable on a *loan basis* from Commercial Intelligence Branch,

U. S. Department of Commerce, Washington 25, D. C.

12. *England*—Ron Turner, Ltd. (packer and wholesaler), 51 New Pontoon Fish Docks, Grimsby, Lincolnshire, offers to export up to 50-ton (short) consignments of "Sea-Fro"-brand quick-frozen *fish*, such as cod, haddock, bream, and herring. Quality: Branded first-class goods. Firm will furnish samples and quotations upon request.

13. *France*—Ateliers D'Art C. Fauré (manufacturer "artisan," wholesaler and exporter), 31 Rue des Tanneries, Limoges, Haute-Vienne, wishes to export high-quality *Limoges art enamels*, such as art vases, lamps, jewel boxes, and pictures. Firm states enameling of copper plates is made by secret process which renders it highly translucent. Direct sales preferred, but firm would consider appointing sales agents in the United States, excepting the States of Illinois, Michigan, New York, and Ohio. Photographs are available to interested firms, on a *loan basis*, from Commercial Intelligence Branch, U. S. Department of Commerce, Washington 25, D. C.

14. *France*—Société Ossau-Bearn (manufacturers, wholesalers, and exporters), 42bis, Boulevard d'Alsace, Pau, Basses-Pyrénées, wishes to export and seeks agent for *light containers for air transportation*, made of aluminum-coated cardboard, collapsible. Containers weigh about 30 percent of weight of a wooden box of same volume. Capacities from 50 to 200 liters. Quantity: 5,000 containers each month. Firm states that advertising literature, in English, is being printed and will be mailed to interested persons upon request. The Société Ossau-Bearn reports that its lightweight air containers have been awarded the first prize by the French air transportation company, Air-France, during a recent competition between manufacturers of the best containers for air transportation.

15. *Italy*—Giambattista Cecchetto (manufacturer, exporter), 77 Via Angarano, Bassano del Grappa (Vicenza), wishes to export *ceramic figures and art objects*. Illustrated catalog will be furnished to interested U. S. firms upon request to Italian firm.

16. *Italy*—Mario Foschi (manufacturer), Bagni di Lucca, Province of Lucca, desires to export small *clay statues and pictures* of religious subjects and manger scenes.

17. *Italy*—"LEPI" Leo Prinoth (manufacturer), Corso No. 29 Ortisei (Val Gardena), Bolzano, seeks United States markets for *wood sculptures*. Illustrated catalog available upon request to foreign firm.

18. *Italy*—Dino Tirelli (manufacturer), 11 Viale 4 Novembre, Reggio Emilia, offers to export *hard paste rennet* made especially for use in the manufacture of "Formaggio grana," an Italian cheese.

19. *Japan*—Central Trading Co., Inc. (manufacturer, importer, exporter), Room No. 212, Yomiuri-Kaikan, No. 13, 1-chome, Yraku-Cho, Chiyoda-Ku, Tokyo, desires to export *binoculars, microscopes, and cameras*. Photographs and price lists are available on a *loan basis* from Commercial Intelligence Branch, U. S. Department of Commerce, Washington 25, D. C.

20. *Japan*—Chiyoda Trading Co., Ltd. (manufacturers, exporters, and importers), No. 8, 1-chome, Asakusa-kikuyabashi, Daito-ku, Tokyo, offers to export Japanese *toys and novelties*.

21. *Japan*—Chubu Busan Trading Co., Ltd. (domestic and foreign distributors), 68 Daimyocho, Matsumoto, Nagano Pref., offers to export *willow netting goods, agar-agar, wood carvings, walnuts, bamboo fishing rods*.

22. *Japan*—Daigo Bussan Kaisha, Ltd. (manufacturer, exporter), 2, Nichome, Takaracho, Chuoku, Tokyo, desires to export 16-mm. *miniature cameras;* and all kinds of *artificial flowers* made of cotton, celluloid, or paper.

23. *Japan*—T. Fujisawa Co., Ltd. (manufacturer and exporter), P. O. Box 67, Yokohama, wishes to export *cotton, rayon and silk piece goods; soft goods*, such as handkerchiefs, mufflers, tablecloths, bedcovers, pillowcases, bridge sets, cut- and drawn-worked articles; *sundry articles and novelties*.

24. *Japan*—Kitsuda Iron Works Co., Ltd. (manufacturer), Soga-mura, Kami-gun, Kanagawa-ken, wishes to export *general farming tools, high-speed starch-making machines, and potato-flour machines*.

25. *Japan*—M. Kobayashi & Co. (importer, exporter, manufacturer), Honcho Building, 4-chome, Honcho, Nihonbashi, Chuo-ku, Tokyo, seeks United States firms interested in importing Japanese *lily bulbs*.

26. *Japan*—Komori Printing Press Manufacturing Co., Ltd. (manufacturer), 3-chome, Azumabashi, Sumida-ku, Tokyo, offers to export Komori *offset presses*. Illustrated leaflet is available on a *loan basis* from Commercial Intelligence Branch, U. S. Department of Commerce, Washington 25, D. C.

27. *Japan*—Kubota Steel works (manufacturer), No. 51, Sakura-cho, Isezaki-shi, Gumma-Ken, wishes to export *textile throwing machines* for silk and rayon yarns, and related equipment.

28. *Japan*—A. Mitchell & Co., G. K. (importers, exporters, manufacturers' agents), No. 8 Oishi Higashi Machi, 2-chome, Nada-ku, Kobe, offers to export "Corona," "Veteran" and "Rialto" brands *sewing machines; scales and measures; galvanized sheets; wires, wire nails, barbed wire, wire fencing, netting and gauze; screw nails; glassware; thermos and vacuum bottles; tumblers and wine glasses; shoes, boots, and tennis shoes* with rubber soles; *sewing machine and sewing needles; fish hooks; towels and towelings; jute strings* for sewing and tying; *catgut; culture pearls; floor coverings and carpets; and grass mats*.

29. *Japan*—Mitsubisi-Pacific Trading, Inc. (exporter, importer), 215 Dojima Building, Osaka, wishes to export plain and printed *handkerchiefs* in cotton or silk, also *towels* in cotton or linen.

30. *Japan*—Nippon Chikuren Co., Inc. (manufacturer and exporter), Daimaru Bldg., 1-chome, Shinsaibashi, Minami-ku, Osaka, desires to export all kinds of *bamboo products*, such as fishing rods, rakes, blinds, canes, furniture poles, fishing equipment.

31. *Japan*—T. Okubo & Co., Ltd. (exporters and importers), 2, Nichome, Takaracho, Chuoku, Tokyo, wishes to export *ferrotungsten*, approximate size from 1 inch to 2 inches. Analysis and price available from Commercial Intelligence Branch, U. S. Department of Commerce, Washington 25, D. C.

32. *Japan*—The Penguin Trading Co., Ltd. (manufacturer, wholesaler, exporter, importer), 12, 2-chome Asakusa Kotobuki-cho, Daito-ku, Tokyo, wishes to export stainless steel and brass chromed *table and dessert wares*. Price list will be furnished to interested firms, upon request to Commercial Intelligence Branch, U. S. Department of Commerce, Washington 25, D. C.

33. *Japan*—Sakura Metal Industry Co., Ltd. (manufacturer), No. 997, Hatagaya-Sasazuka-cho, Shibuya-ku, Tokyo, offers to export precision *ball bearings*.

34. *Japan*—The Sansin Industry Co., Ltd. (importers, exporters, and wholesalers), No. 5, 2-chome, Honcho, Nihonbashi, Chuo-ku, Tokyo, desires to export *textiles, plywood and lumber, metalware and enamelware, steel cabinets, and vacuum flasks*.

35. *Japan*—Sasaki Glass Mfg. Co., Ltd. (manufacturer), 9, 4-chome, Nihombashi-Bakurocho, Chuo-ku, Tokyo, wishes to export *glassware*, such as tumblers, stemwares, vases, bottles, vacuum bottles, table and kitchen glasses.

36. *Japan*—Tabata Buttons Co. (manufacturer and exporter), 68, Shinyashikimachi, Tanabe, Wakayamaken, seeks markets for *buttons* made of horn, pearl, nut, and shell.

37. *Japan*—Tanida-Kusu Shoten (manufacturer, exporter, distributor), No. 12, 1-chome, Kanda-sudacho, Chiyoda-ku, Tokyo, wishes to export all kinds of *fishing tackle, poles, bamboo rods, fly and bait casting* (combination), *hooks, nets, flies and lures*.

38. *Japan*—Tokyo Iron Mfg. Works, Ltd. Co., 46 Senjusekiya-Cho, Adachi-Ku, Tokyo-To, is interested in exporting *rolled steel bars*, round and angle.

39. *Mexico*—Fabian Arnaud Serrano (manufacturer), Manuel Maria Contreras 61–B, Mexico, D. F., wishes to export and seeks distributor for first-class *shaving brushes* made of six different classes of hair, and four different handles. Quantity: 7,000 to 7,500 brushes each month.

40. *Scotland*—John Cameron & Sons (Curriers), Ltd. (manufacturer and exporter), Silvermills, Edinburgh 3, wishes to export first-class hand-buffed *upholstery hides; harness and bridle leathers; leather grips* for golf and tennis. United States firm buying on own account preferred, but Scotch firm would consider other arrangement.

41. *Scotland*—William Gibson & Co., Ltd. (manufacturer and exporter), Kinghorn, Fife, offers a wide variety of *handmade golf clubs, wood-shafted clubs* in Danga and hickory, *steel-shafted clubs, woods and irons*. Firm prefers to deal with importers buying outright either for their own use or for redistribution, or, failing that, to sell on a commission agency basis.

42. *Scotland*—Robert Whyte Reid (manufacturer), 34 Sandy Road, Carluke, offers to export ladies' *knitted outerwear*, such as lumbercoats, cardigans, jumpers, and twin sets. Firm states it is in a position to export 50 to 60 dozen garments each month.

43. *Switzerland*—Mécanique de Précision Chs. Kocherhans (manufacturer and exporter), Fontainemelon, Canton of Neuchâtel, offers on an outright sale basis first-class *measuring gages* and *watchmakers' lathes*. Firm has never shipped to the United States, and it would appreciate receiving all instructions possible with regard to packing, specifications, and markings. Pamphlets in the French language, with illustrations, are available from the Swiss firm.

44. *Union of South Africa*—Captain Jack Shone (farmer), Postmasburg, Cape Province, is interested in exporting quantities of *jasper* to the United States. Captain Shone states that this stone is found in large quantities on his farm, which is located near manganese mines and is therefore served by good railway facilities. It is reported that the stone is found in varying shades of red, and is believed to have a number of uses, such as in fireplaces, and in the manufacture of jewelry and fancy tiles. Price quotation is available, upon request, to Commercial Intelligence Branch, U. S. Department of Commerce, Washington 25, D. C.

45. *Wales*—Dinorwic Quarries (manufacturer), Port Dinorwic, Caernarvonshire, offers to export first-quality *slate granules*, in green, blue, or red. Specifications: B. S. S.—all passing 12 mesh; all held on 24 mesh. Samples will be forwarded at seller's expense.

## Export Opportunities

46. *Costa Rica*—Warren H. Mory. (foreign representative), Apartado 1211, San Jose, is interested in contacting a firm dealing with the sale of *books* to learn Chinese, preferably Chinese to Spanish or Spanish to Chinese. Secondly, English to Chinese.

47. *Egypt*—Fils, Barthe-Dejean & Co. (contractors), 22 Rue Nubar Pasha, Cairo, wishes to bid on behalf of an American firm on a contract for the supply and installation of equipment for *water-purification works* at Port Said. The Egyptian firm must submit its bid to the Egyptian Ministry of Public Works by *May 3, 1950*. Specifications are available on a *loan basis* from Commercial Intelligence Branch, U. S. Department of Commerce, Washington 25, D. C.

48. *Germany*—Ing. Heintze & Lehmann (manufacturer of slide fasteners), Markt Grafing 349, Falkenberg, Post Moosach by Grafing, Obb., Bavaria, seeks direct purchase quotations for one *modern, fully automatic machine for the manufacture of slide fasteners.*

49. *Italy*—Dino Tirelli (manufacturer and agent), 11 Viale 4 Novembre, Beggio Emilia, seeks quotations for *whey, tankage, mixed food* for pigs and dairy cattle, and *irradiated dry yeast* for cattle, *special veterinary products, medicinal and veterinary cod-liver oil.* Firm desires exclusive selling franchises from American firms, and also will purchase direct.

50. *Japan*—S. Ishimitsu Co., No. 1 Nozakidori 4-chome, Fukiaiku, Kobe, wishes to contact manufacturers or jobbers of *automatic doughnut-making machinery.*

51. *Japan*—C. Itoh & Co., Ltd., 36, 2-chome Honmachi, Higashiku (Central P. O. Box 117), Osaka, seeks quotations and catalogs for *machinery to manufacture synthetic fibers.*

52. *Japan*—Kyokuto Bussan Kaisha, Ltd. (importers and exporters), Denki Club Building, No. 3, Yurakucho, 1-chome, Chiyoda-ku, Tokyo, wishes to contact dealers in a position to export 500 used *electric meters* as follows: Sangamo HM or $HCB_2$ or General Electric type or model, DM–14 (T), integrating watt-hour meter with maximum power demand indication for minute, 110-V, 50/60 cycle, 5 amp. Current transformers and potential transformers not required.

53. *Japan*—A. Mitchell & Co., G. K. (importers, exporters, manufacturers' agents), No. 8, Oishi Higashi Machi, 2-chome, Nadaku, Kobe, seeks quotations for *green coffee beans, roasted ground coffee, tea, cocoa, beans, cocoa butter, cocoa powder, canned foodstuffs, wines, whisky, cognac, oilseeds and oilcakes, cottonseed, leather and skins, imitation leather, old silk stockings, plush and velveteen cuttings and strips, tapestry and furniture coverings, hardwoods, and other forest products, rebuilt sewing machines and typewriters, filing cabinets, knitting wool, molasses, nylon cutgut, coffee percolators and grinders.*

54. *Japan*—Okada Yoko & Co., Ltd. (importers, exporters), 16–5 chome, Koraibashi, Higashiku, Osaka, seeks quotations for *zinc ashes, zinc skimming and zinc dross; chemicals; foodstuffs and perfume oils.*

55. *Japan*—Pacific Projects, P. O. Box 444, Tokyo (Central), seeks quotations for used *equipment for steel making and finishing.*

56. *Japan*—Santo Shoji Kaisha, Ltd., No. 19, 8-chome, Kobikicho, Chuo-ku, Tokyo, seeks quotations for *bicycles, bicycle parts, and paints suitable for bicycles.*

57. *Japan*—Yakumo Bussan Kaisha, Ltd. (importers, exporters), Nomura Bldg., No. 2, 2-chome, Otemachi Chiyoda-ku, Tokyo, seeks quotations for *electrolytic zinc, scrap iron, and coal.*

58. *Japan*—Zenyo Trading Co., Letd. (importers and exporters), Hichijo, Mishinotoin, Kyoto, seeks quotations for *industrial chemicals, used clothing, used newspapers, old rags, scrap iron.*

59. *Mexico*—Quimica Fran-Mex, S. de R. L. (importer, wholesaler, manufacturer and retailer of chemical products), Privada Victor Hugo 3, Col. N. Heroes, seeks purchase quotations for tank-car lots of *white oil,* viscosity 65–75. Quotations c. i. f., c. and f., and f. o. b. cars, Laredo, Texas. Firm requests samples.

60. *Mexico*—Jose I. Villarreal e Hijos (importer, retailer, wholesaler of tile), Apartado Postal No. 1314, Monterrey, N. L., seeks quotations from manufacturers of *machinery, products, and enamel for making glass tile.*

61. *Norway*—Paul Wiencke, Jr. (importing distributor), 1 Roald Amundsensgate, Oslo, seeks purchase quotations from manufacturers for *motor starters* for all kinds of electric motors, for use in Norwegian industrial plants. Starters desired are for motors ranging from 1 ampere to 1,000 amperes; current 220 volts, 50 cycles, 3-phase, AC. The following estimates have been made by subject firm regarding annual requirements: 1,500 starters for motors of size up to 25 amperes; 200 starters for motors from 26 to 60 amperes; 200 starters for motors from 60 to 100 amperes.

62. *Switzerland*—O. Biner (retailer), Av. D'Ouchy 1, Lacsanne, seeks quotations from U. S. manufacturers of all types of *advertising articles* such as are distributed by business firms to their customers in the form of premiums; also, all kinds of *novelties.*

63. *Syria*—S. L. A .C., Société Levantine des Affaires Commerciales (importer, wholesaler, exporter), Youssef Azmeh Square, Damascus, wishes to contact manufacturers and exporters of reprocessed *woolen yarns.*

64. *Union of South Africa*—C. E. Folkey (importer and distributor of stationery articles), Cullinan Buildings, Main Street, Johannesburg, seeks direct purchase quotations and agency for the following *stationery goods:* Stationery, bookbinding materials, printing machines, carbon paper, stamp pads, inks, drawing instruments, tracing paper, punches, eyelets, numbering machines, and pencil sharpeners.

## Agency Opportunities

65. *Belgium*—Construction de Chaufferies Modernes (importer, manufacturer, and sales agent), 42, rue de Loxum, Brussels, desires agency for good-quality *rotary burners* working by the atomization of the fuel oil by centrifugal power.

66. *Cuba*—Teodoro Frias (commission merchant), Villegas No. 19, Habana, wishes agency from manufacturers only for *toys, novelties and notions.*

67. *England*—Hewitt, Lugg, & Co. (rice and general produce brokers), is interested in obtaining representation of United States millers for *rice milling products,* for the United Kingdom, Europe, and West Africa.

68. *Mexico*—Maximo Sanchez (commission merchant), Uruguay 119, Mexico, D. F., seeks agency for general *foodstuffs.* Correspondence may be in English, but Mr. Sanchez states that acknowledgment would be in Spanish.

69. *Philippines, Republic of*—Consolidated Factors, (importers and indentors), Suite 401, Tuason Building, Escolta, Manila, seeks agencies for the following commodities: *wheat flour, corn starch, dried shrimps, canned fish, gresh fruits, vegetables, coffee, milk and beverages, textiles* (cotton, rayon, or silk), *knitted goods, twine and thread, baled cotton, leather, hides, chemicals, paper and paper products, glassware, enamelware, silverware, porcelainware, cooking appliances and kitchen utensils, toys, novelties, and cosmetics.*

70. *Syria*—Emile Topalian (importing distributor and manufacturer's agent), P. O. B. 608, Aleppo, desires to act as direct agent for United States manufacturer of first-quality *automobile spray paints.* Minimum order: 1 metric ton. Firm desires sample lot for testing in workshop.

71. *Union of South Africa*—Epsteins Enterprises (Pty.), Ltd. (wholesale merchant), Great North House, 36 Siemert Road, Johannesburg, desires agency for *fountain pens, propelling pencils, alarm clocks, and cutlery.*

## Foreign Visitors

72. *Australia*—William J. King, representing Martin & King, Pty., Ltd., 1085 High Street, Malvern, Victoria, is interested in studying the latest developments and techniques in the manufacture of *motor bodies and railway cars.* Scheduled to arrive March 12, via San Francisco, for a visit of 5 or 6 weeks. U. S. address: *c/o* Australian Consulate General, 636 Fifth Avenue, New York, N. Y., or 206 Sansome, San Francisco, Calif. Itinerary: San Francisco, Los Angeles, Denver, Chicago, Detroit, Buffalo, Washington, D. C., and New York, N. Y.

73. *Australia*—James I. F. Maple-Brown, Springfield, Goulburn, New South Wales, is interested in selling or leasing in the United States *patent rights for a self-propelled irrigation spraying machine* which he has developed. Mr. Maple-Brown will have with him working drawings and other detailed information. Scheduled to arrive March 24, via San Francisco, for a visit of 2 months. U. S. address: *c/o* McLachlan Banking Corporation, Tenth and G Streets NW., Washington, D. C. Itinerary: San Francisco, New York, Washington, D. C., Chicago, Moline, and Milwaukee.

World Trade Directory Report being prepared.

74. *Australia, Western*—Eric Russell, representing Russell Export Agency, Pty. Ltd., Pastoral House, St. George's Terrace, Perth, is interested in exporting *crayfish tails* (frozen), *meat products, and foodstuffs,* to the United States. Scheduled to arrive March 15, via San Francisco, for a visit of 6 weeks. U. S. address: *c/o* John Thallon & Co., 8 Broadway, New York, N. Y. Itinerary: New York, Boston, and Chicago.

75. *Colombia*—Dr. J. Martin Bernal, representing Echavarria, Cabo y Cia., (importer, retailer, wholesaler, agent), Calle la Paz No. 52–42, Apartado Aereo 674, Medellin, is interested in importing *wheat and wheat flour* into Colombia. Scheduled to arrive March 18, via New York City, for a month's visit. U. S. address: *c/o* Colombian Consulate General, 444 Madison Avenue, New York, N. Y.

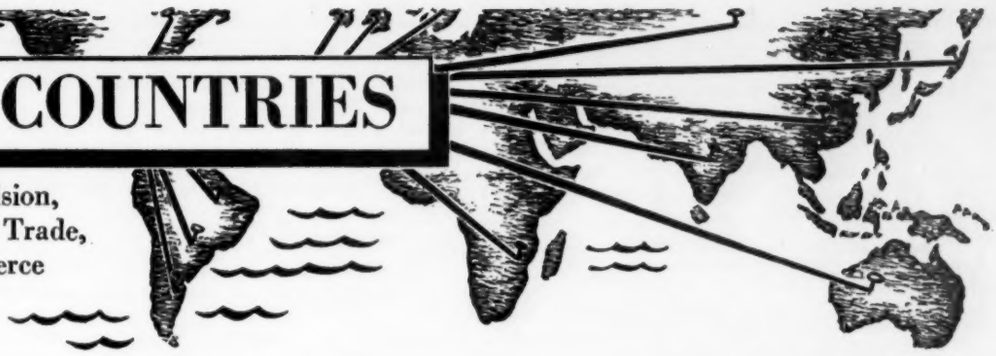
76. *England*—M. E. Burnham, representing Norman Cycles, Ltd. (manufacturer), Beaver Road, Ashford, Kent, is interested in appointing distributor(s) throughout the United States to handle his firm's light *motorcycles.* Scheduled to arrive April 6, via New York City, for a visit of 3 weeks. U. S. address: *c/o* Andrew Fisher Cycle Co., Inc., 619 West Fifty-fourth Street, New York, N. Y. Itinerary: New York.

77. *England*—Sidney Whiteside, representing Tewel Industries, Ltd., Cotton Hall Street, Darwen, Lancashire, is interested in appointing American agent(s) for sale of *spare parts and accessories for British automobiles.* Scheduled to arrive April 11, via New York City, for a month's visit. U. S. address: Hotel Astor, Times Square, New York, N. Y. Itinerary: New York.

78. *Iceland*—Gisli J. Johnsen (importer, wholesaler, commission merchant), Hafnarhusid at Giersgata, Reykjavik, is interested in importing *machinery,* especially marine motors and accessories, into Iceland. Scheduled to arrive about the first of April, via New York City, for a visit of 1 or 2 months. U. S. address: Waldorf-Astoria Hotel, Fiftieth Street and Park Avenue, New York, N. Y. Itinerary: New York, San Francisco, and Chicago.

(Continued on p. 47)

# NEWS by COUNTRIES



Prepared in Areas Division,
Office of International Trade,
Department of Commerce

## Argentina

### AIRGRAM FROM U. S. EMBASSY AT BUENOS AIRES

(Dated March 24, 1950)

Rains in late February and early March ended the prolonged drought in Argentina, but came too late to aid the corn crop. Production of corn in the harvest now beginning is forecast unofficially at 2,000,000 metric tons, well below domestic needs. No corn is expected to be available for export in late 1950 after old-crop shipments are finished.

Pasture conditions showed general recovery except in western areas where rain continued insufficient. The preparation of land for winter forage crops apparently will proceed normally. Cattle marketings declined, with animals being held for better pastures and increased weights. Dairy production was adversely affected by the prolonged producer strike.

The Government called on farmers to plant 7,000,000 hectares of wheat, 5,000,000 hectares of corn, and 2,000,000 hectares of flaxseed, representing increases of 25 to 50 percent over last season. As incentive, a price increase of 10 to 19 percent was promised for wheat.

Negotiations were reported in progress for sale of another 300,000 tons of wheat to Brazil, disposing of a large portion of the remaining surplus. Spain purchased 40,000 tons each of wheat and rye, reportedly using free dollars and obtaining prices below United States offers. March grain movements from Argentine ports were relatively rapid.

Fresh fruit has been exempted, retroactive to January 1, 1949, from the 8 percent export sales tax levied on products shipped from Argentina. This exemption led to hopes for similar action on other products entering highly competitive markets. Fruit shipments to the United States so far this season have amounted to 112,121 boxes of pears, 38,690 boxes of grapes, and 6,281 boxes of plums. Pear exports are less than in 1949, but grape exports are considerably greater.

The cotton crop, now being harvested, has been estimated at 110,000 tons of fiber, and may approach the all-time record of 120,000 tons. The tobacco harvest appeared to be fairly good, but slightly below that of last year. No tobacco imports have been permitted so far this year, and the industry currently is limiting production of certain cigarette types. The favorable potato crop prospects appeared to eliminate any need this year from imports of table stock, although imports of seed will be necessary.

Receipts of farm machinery under the import allocation of $27,000,000 have been delayed by difficulties in specifications and procedures, and it was feared that shipments would not arrive in time to help in planting 1950 crops. It was officially announced that imports would include 5,000 tractors, 1,200 combines, and 20,000 implements of various types.

No progress was noted in Anglo-Argentine negotiations respecting meat prices and commodity purchases. Although the British negotiators have returned from London, the assignment of key Argentine representatives to the current IA-ECOSOC (Inter-American Economic and Social Council) meeting in Washington has delayed resumption of discussions.

Additional dollar allocations were distributed to banks in payment of commercial arrears to the United States, liquidations to date having covered items filed through June 21, 1948.

The Argentine money supply, which had undergone the usual seasonal contraction during January, has since resumed its upward trend. During February the total currency issue rose from 10,000,000,000 pesos to 10,200,000,000 pesos, and deposits from 20,-200,000,000 pesos to 20,700,000,000 pesos, a total expansion of approximately 700,000,000 pesos. Foreign-exchange holdings declined only slightly.

A census of all foreign investments and remittances pending has been undertaken by the Argentine Central Bank.

In late March the Government issued a decree apportioning 750,000,000 pesos of economies called for in the 1950 budget law. Further economies of 200,000,000 pesos are to be effected in the expenditures of autonomous organizations. The decree imposes restrictions on promotions of Civil Government employees and on nonessential government purchases.

Numerous industrial disputes occurred during March, based primarily on economic issues. Approximately 14,000 dairy workers throughout the nation walked out on February 8, 1950, because of failure of employers to institute wage increases. The strike affected not only pasteurization plants but also producers of byproducts, such as casein, butter, cheese, and powdered milk. Fresh-milk supplies for the Federal Capital have been cut by an estimated 50 percent.

Problems which American-owned petroleum companies have been experiencing as regards their crude-oil requirements remain unsolved, and an American refinery, which was forced to suspend operations for lack of crude oil on February 1, remains shut down.

An Executive Agreement between France and Argentina was concluded on February 11, providing for the reciprocal exemption from payment of income tax on earnings derived from ocean and air transportation.

The Central Bank on February 28 issued Circular No. 95, designed to enforce strict adherence by all transport companies to regulations in effect governing the remittance abroad of funds collected through sales in Argentina. Henceforth, only pesos derived from documented sales or resulting from the exchange of imported funds negotiated through the official free market, may be used to defray operating expenses in Argentina. FAMA inaugurated its Buenos Aires-New York weekly freight and passenger air service on March 21.

A Joint Travel Mission representing the Department of Commerce and the Pan American Union arrived in Buenos Aires in late February for a series of conferences with Argentine authorities and private travel industry representatives, looking toward the implementation of a program to stimulate inter-American travel.

According to press reports, the Japanese Foreign Exchange Control Commission has ordered temporary suspension of imports from Argentina until the latter purchases sufficient Japanese products to balance trade between the two areas. Meanwhile, a Belgian trade delegation left for Brazil without reaching agreement as to extension or amendment of the Belgian-Argentine Trade Agreement of 1946.

Unofficial tabulations indicate that during 1949 there were organized in Argentina 9,107 new commercial, industrial, manufacturing, and financial enterprises with a registered capital investment totaling 1,972,100,000 pesos. In 1948, 10,185 new enterprises capitalized at 1,765,700,000 pesos were established.

Shipments of cattle hides continued at a high rate during the first 2 months of the year. Up to February 20, a total of 1,937,-642 hides were exported as compared with shipments of 1,590,364 units during the first 2 months of 1949. The Argentine Trade Promotion Institute (IAPI) discontinued purchases of frigorifico Northern (tick) hides, allowing exporters to sell directly abroad at controlled prices. Other frigorifico and municipal hides continue to be purchased directly by IAPI.

The local press announced on March 19, 1950, that the Government, through its agency Dirección General de Fabricaciónes Militares, has acquired sole ownership of the mixed company of Industrias Químicas Nacionales by buying up all public shares, to a nominal value of 3,000,000 pesos, for the sum of 2,700,000 pesos. The above-mentioned mixed company was organized in 1948 to exploit sulfur deposits and manufacture its derivatives.

New administrative machinery to assist in the coordinated control and development of

### Mechanization of Cuban Cigar Industry Under Consideration

Mechanization of the Cuban cigar industry is receiving consideration in tobacco circles. It is reported that a delegation of tobacco workers have informed Government officials that "mechanization is badly needed."

A careful investigation of all aspects of the problem is being made by the Minister of Labor preparatory to making definite recommendations.

the national railways was recently established when the Executive Power approved the creation of the Directorate of the State Railways and made it responsible for operational procedures. Three of the 10 places on the Directorate were reserved for representatives of employees' unions, and provision was made to distribute 25 percent of the profits resulting from railway operations among railway personnel.

# Australia

## AIRGRAM FROM U. S. CONSULATE GENERAL AT SYDNEY

(Dated March 3 and 24, 1950)

Several sectors of the economy of the Commonwealth of Australia were adversely affected in January and February by labor disputes. Stoppages by waterside workers, particularly in Sydney, caused port congestion and reduced oversea and interstate trading activities as the export season moved toward its peak. Supplies of petroleum products were interrupted from January 24 to March 11 by a strike in a large oil refinery in New South Wales. Sydney's normal meat supply was affected by strikes at the New South Wales abattoirs which lasted from about February 22 to March 10.

Labor difficulties, of frequent occurrence during the past year, continued intermittently in the country's coal-mining industry. Many local mining stoppages of short duration threatened further limitation of steel manufacturing, which has long been below capacity because of insufficient fuel and labor supplies. The shortage of basic steel output has retarded production at many dependent plants, and the possibility of further curtailment is considered sufficient justification for remedial acton. Black-coal output in New South Wales, the principal source of Australian production, amounted to 1,-£91,375 long tons during the period from January–March 4, 1950, as compared with 1,711,815 long tons in the 1949 period ended March 3, despite the fact that the miners in the northern fields returned from their holiday a week earlier—in January of this year. Arrangements are being made to increase importation of coal, and the feasibility of other suggestions is also under consideration for accumulating reserves against the increased requirements of the approaching winter season.

Based on cost-of-living computations, the Arbitration Court announced on January 20 an average over-all basic wage increase of 3s. a week to offset the 2.7 percent rise in the cost of living for the last quarter of 1949. This pay alteration will affect more than 2,000,000 workers and will add approximately A£20,000,000 to the annual wage bill.

Gasoline rationing ended on February 9. Except for the period June–November 1949, rationing of the product had been in force since October 1940. Upon cessation of rationing, the demand for automobiles increased substantially, with the used-car market showing much greater activity. A part of the first shipment of 4,500,000 gallons of gasoline from France, ordered in 1949 by Ampol Petroleum Ltd. to help relieve the Australian shortage, was delivered in Sydney on February 5 and 6. The remainder of the cargo was discharged at other Australian ports.

Arrangements to import from the United States a large number of heavy-type crawler tractors, payment to be in Australian currency, were announced on January 27 by the Minister for Supply and Development. It was stated that the American company would use the Australian funds to increase its capital investment in the Commonwealth.

Plans for a considerable amount of highway improvement in Australia were indicated in the Federal Treasurer's statement of intention of the Commonwealth Government to borrow A£250,000,000 over a period of 5 years to assist in the repair and reconstruction of roads under the authority of the Department of Supply and Development. It was stated that the loan's interest and sinking-fund payments would come from allocations from the gasoline tax.

The Federal Cabinet's decision to make Melbourne an international airport was announced on February 14 by the Minister for Civil Aviation. The Minister stated that the cost of additions necessary to give Melbourne this status would be less than A£100,000, and he expressed the hope that the city would be operating as an international air link, in addition to Sydney and Darwin, within 6 months. The announcement referred to the probability of a new air service between Australia and New Zealand, paralleling at a more southerly latitude the seaplane facilities now in operation between Sydney and Auckland, and to the possibility of a new air service with South Africa.

Australian commodity exports during the July–December 1949 period exceeded commodity imports by £18,131,000, as compared with an excess of A£66,143,000 in the same months of 1948, according to Commonwealth statistics released February 8. Commodity exports and imports were valued at A£258,-355,000 and A£240,224,000, respectively, in the last 6 months of the calendar year 1949. The value of exports of wool and of imports of vehicles, machines, and machinery were much larger than in the corresponding period of 1948. The United Kingdom took about two-fifths of Australian exports in the 1949 period and supplied more than one-half of the imports. Imports from the United States, valued at A£24,389,000, exceeded exports thereto by A£5,102,000, whereas in the July–December 1948 period imports from the United States valued at A£16,400,000 were A£471,000 below the value of exports thereto.

A wheat harvest of 216,500,000 bushels for the 1949–50 season was estimated in February, representing the second largest wheat crop in Australia with a record average yield of 17.28 bushels an acre. The record total yield was 220,000,000 bushels in 1947–48. The new crop is moving to shipping ports where it is feared that elevator congestion will occur unless shipment overseas can be greatly expedited. Completion of negotiations for the sale of 19,000,000 bushels of the grain to India, for shipment before the end of July, was reported on February 10 by the Chairman of the Australian Wheat Board.

The Federal Government will adhere basically to the plans made by the previous Commonwealth Labour Government for the development of the meat industry at a cost of A£50,000,000 to the United Kingdom and Australia, according to a statement on February 16 by the Minister for Commerce and Agriculture. The plans, concerning which negotiations are yet to be carried on with the British Government, envisage activity over a period of 15 years for increasing shipments of beef, mutton, lamb, and pork meats to the United Kingdom. It is desired, however, not to exclude the possibilities of developing other markets for Australian meat.

The possibility of large-scale importation of prefabricated houses, as a means of dealing with Australia's serious housing shortage, is the purpose of a small investigational mission being sent to the United Kingdom and Scandinavian countries. In announcing on February 17 the Commonwealth Government's decision to send a group of four, possibly supplemented by a senior housing official from each of the States of New South Wales and Victoria, the Minister for Works and Housing alluded to the building rate of 1,000 houses a week, whereas the demand is rapidly increasing toward 2,000 a week.

The setting up of a committee to review Commonwealth taxation legislation was announced by the Federal Treasurer on February 8. However, none of the committee's recommendations for the simplification of the Federal tax laws and removal of anomalies therein is expected to be presented for several months, owing to the complexity of the task.

As of December 31, 1949, there were 947 people (841 men and 106 women) registered as unemployed and receiving unemployment benefit, according to a statement of the Federal Minister for Labour and National Service on February 7. At the end of 1949, job vacancies listed with the Commonwealth Employment Service totaled 101,400, composed of 66,000 calls for men and 35,400 for women.

The Federal Treasurer announced on January 13 that the issue of capital by companies will no longer be controlled by the Government. Approval will automatically be given to issue capital, it was said, until repeal of the Capital Issues Regulations makes it unnecessary to obtain the Treasurer's consent.

# Austria

## AIRGRAM FROM U. S. LEGATION AT VIENNA

(Dated March 17, 1950)

### Price Trends

During February the price trends which had become discernible in January were maintained; i. e., wholesale prices, especially those for industrial raw materials, continued to increase, whereas prices of cost-of-living items, particularly foodstuffs, declined somewhat. In terms of the indexes prepared by the Austrian Central Statistical Office and the Institute for Economic Research, these trends were as follows:

| | *Dec. 1949* | *Jan. 1950* | *Feb. 1950* |
|---|---|---|---|
| General wholesale prices (March 1938=100) | 490 | 498 | 507 |
| Industrial material prices (March 1938=100) | 480 | 501 | 518 |
| Retail prices (March 1938=100) | 471 | 463 | 450 |
| Cost of living, family of four, Vienna (April 1945=100) | 535.5 | 531.1 | 515.9 |

The cost-of-living decrease may be attributed to more abundant domestic food supplies, principally meat and eggs, together with a reduced consumer demand. The recently announced program for production of standard low-cost shoes and textiles and the appearance of early spring vegetables in the local markets are expected further to decrease the cost of living. However, the leveling of the cost-of-living curve may be only temporary. Prices may be difficult to contain when building is resumed, when employment rises, when purchasing power is increased, and the subsidies on imported foodstuffs are discontinued.

The general wage line was maintained despite the assaults of the Communists, whose pressure for a 50-schilling compensatory weekly wage increase and an ultimate 25 or 30 percent general upward adjustment was unremitting. Continued resistance to Communist pressure was probably made possible only by virtue of the temporary success in the campaign to hold down the cost of living.

### Employment

In February, unemployment reached the highest level since the war. As of midmonth, the Ministry of Social Administration reported more than 195,000 registered job seekers; i. e., over 10 percent of the total work force. By the end of the month the

number had shrunk to about 190,000 and labor officials were hopeful that the crest of the unemployment wave had been passed.

COMMERCIAL POLICY

In the customs tariff area the Government seemed to be moving in the direction of a revalorization under which the gold crown (in which duties are expressed) would be valued at 4.69 schillings instead of 1 schilling, as at present. The 1950 budget estimate for customs revenue (200,000,000 schillings) was based upon the assumption of revalorization. Press reports, however, intimated that the revalorization would not be extended to the rates for all goods. A selective revalorization which would permit increased revenues, provide protection, and at the same time not shut out essential imports appeared to be contemplated.

With respect to trade liberalization, the Organization for European Economic Cooperation had indicated some dissatisfaction with the measures which Austria has thus far taken to eliminate quantitative import restrictions. It was asserted that removal of quota licensing restrictions was being offset by exchange-control procedures. Meanwhile, the dissatisfaction of many Austrian traders with the present control machinery was loudly voiced and reform was urged.

AUSTRIAN EXPORTS TO THE UNITED STATES

Austrian exports to the United States in February 1950, as indicated by consular invoices, were valued at $869,000, compared with $741,000 in the preceding month, and $742,000 in the corresponding month of 1949. Imitation precious stones continued to hold by far the leading place in the list of exports to the United States, amounting in February 1950 to $632,532. The next three most important items in the February list were woolen manufactures ($98,267), jute manufactures ($52,330), and cotton manufactures $16,969).

## *Economic Conditions*

RECENT DEVELOPMENTS

Pressure has been increasing in Austria for an upward rent adjustment. Under rent-control legislation, there has been no revision in residential rentals since 1945. Home owners and builders, with the support of the People's Party, are urging relief. Apparently something will have to be done to stimulate residential construction.

On the wage side, there was an increase in January in the net wage index for the first time since July 1949. The index (April 1945=100) rose 0.9 percent—from 418.3 to 422. The increase was not the result of a general wage schedule revision, but was occasioned by a reduction averaging about 20 percent in the pay-as-you-go taxes effective January 1. Thus a modest increase in real wages may be said to have taken place in January, and this fact was instrumental in accounting for the Trade Union Federation's decision to forego temporarily any new wage demands.

Outstanding labor developments early in the year were: (1) The decision of the trade union leadership to make no new wage demands but rather to continue pressure for price roll-back action, (2) the record-high unemployment (more than 180,000 registered job applicants), and (3) the strike of Federal theater and opera workers and threatened strike of bakery workers.

Concern was increasing over the unemployment, and union officials were beginning to talk about structural unemployment factors. The Government was urged to develop an employment program.

In both the theater strike and the threatened bakery strike compromise solutions were found and the workers, over the objections of the Finance Minister, were granted higher wages.

The plan to increase import duties by revalorization has been discussed by the economic chambers and prepared for action by Parliament together with the 1950 budget. In January, Austria was preparing to participate in the third-round GATT negotiations and had submitted its preliminary list of products on which concessions from the United States would be sought. Although, agreement with the objectives of the OEEC (Organization for European Economic Cooperation) trade liberalization continued to be affirmed, the Government acknowledged that its participation would have to be tempered by the hard facts of shortage of exchange.

According to press reports, the ordinary budget for 1950 as presented to Parliament calls for expenditures in the amount of 9,617,100,000 schillings and revenues are estimated at 9,617,200,000 schillings. Extraordinary expenditures are calculated at 1,070,100,000 schillings.

The exchange-control system, which had been reformed as recently as last November, received another jolt by a reversion to the former system of differential exporters' "retention quotas" which means that exporters once again would be allowed to retain varying proportions of their foreign-exchange earnings, in accordance with their "recognized needs of foreign exchange, especially for the importation of raw and semifinished materials." At the same time, a uniform "mixed" rate of exchange was established for all sales of exporters' exchange earnings to the National Bank. By these changes, imports of raw materials and equipment needed by export industries were to be assured. This, it was explained, would assist in maintaining the flow of exports. The feeling has become more widespread in trading and banking circles that Austria's adoption of a single exchange rate cannot be much longer delayed.

Austrian commercial imports for the first 11 months of 1949 totaled 3,876,760,000 schillings, and exports for the same period were 2,823,390,000 schillings. New trade agreements were concluded with Sweden, Norway, and Argentina during December and January, and a new payments agreement covering invisibles was concluded with the United Kingdom.

### New British Trailer Serves Many Purposes

A multipurpose two-wheel luxury trailer coach, the Berkeley Deputy, was demonstrated recently by Berkeley Coachwork Ltd., at its Biggleswade (Bedfordshire) plant in Great Britain. It will appear on the British market in the spring of this year.

When touring, the floor space can be cleared and used for stowing a 14-foot boat, two bicycles, and a baby carriage. At home, the bedding and cushions can be removed and the trailer converted into a garage for a medium-sized passenger car.

# Brazil

## AIRGRAM FROM U. S. EMBASSY AT RIO DE JANEIRO

(Dated March 21, 1950)

A seasonal upturn in business took place in Brazil during March, with the manufacturing trend good and wholesale and retail activity reported as satisfactory. Firms dependent upon import trade, however, have suffered a further decline in their business because of the stringent import-licensing policy in effect. Numerous proposals for private barter transactions were approved to move certain Brazilian exports and permit additional quantities of essential imports to enter the country. From Fortaleza, Ceara, it was reported that a compensation deal had been approved in February involving carnaúba wax in exchange for United States jeeps costing approximately $115,000.

Improvement continues to be made in the liquidation of the backlog of commercial obligations awaiting exchange cover, and the delay in first category remittances is reported as about 3 months.

A trade and payments agreement between Brazil and Yugoslavia was concluded on February 24. The agreement is for 1 year, and the total value of products to be exchanged was placed at $2,730,000, United States currency.

Weather conditions throughout most of the agricultural regions of Brazil have continued favorable. A few scattered areas have reported an unseasonable lack of rainfall, but in general the important crops are believed to be developing under better-than-average conditions.

It was estimated by the Rubber Credit Bank that the rubber crop for the 1949–50 season will total about 27,000 metric tons, approximately the same as last year. Trade sources, however, estimate that production probably will reach 28,000 metric tons, basing this belief on the increased demand being shown by national industry and a feeling of optimism regarding the financial stability of the Rubber Credit Bank during the 1949–50 harvest season.

The jute crop in the Amazon, harvest of which began in February, is expected to reach a new record level of 15,000 to 17,000 metric tons. Ample quantities of selected seed were available from the Ministry of Agriculture, and growing conditions for the crop were favorable.

The estimate recently made by the Bahia Cocoa Trade Commission of the 1949–50 cacao crop has set the total at 2,500,000 bags. It is reported that, of this total, 2,166,722 bags had already been sold by February 17, the United States having bought 1,064,350 bags.

Agricultural associations in the States of Sao Paulo, Minas Gerais, and Parana recently asked the assistance of the Minister of Agriculture in removing export restrictions on rice, corn, and beans. Growers in these States expect a large harvest this season and fear that if exports are not permitted for the surplus, a sharp decline in prices may result.

The rice market in Rio Grande do Sul was paralyzed as a result of lack of purchases by other sections of the country, particularly Sao Paulo and Rio de Janeiro, which were unwilling to pay the prices demanded. A bumper rice crop is expected in central Brazil this year. The crop may be large enough to provide a surplus beyond the consumption needs of the area.

Spot prices of coffee in Santos tended to decline during the first half of March, after remaining firm during January and February in the face of very weak demand. The published spot price of Santos type 4 "soft" coffee, which had remained at 177 cruzeiros per 10 kilograms for a number of weeks, had fallen by March 15 to 172 cruzeiros.

Labor relations were generally calm. The few threats of strikes which appeared did not develop into actual work stoppages. Some wage increases were granted by the Labor Courts affecting small groups of workers, but the major wage cases remain undecided. There appears to be an increasing

number of cases in which complaints are being filed by the workers alleging violations of the labor laws and noncompliance with Labor Court decisions on the part of employers. Because of the continued rise in the cost of living, the pressure for upward wage adjustments increased. Employment maintained about the same level, but the threat of discharges increased as shortages of imported materials resulting from import restrictions became more serious.

# Ceylon

## AIRGRAM FROM U. S. EMBASSY AT COLOMBO

(Dated March 9, 1950)

Ceylon trade figures for January which have just been published show a substantial positive balance of trade because of the above-average exports, mainly of tea and rubber; and the decline of imports which is due in part to the application of stricter controls. About three-quarters of the dollars available to Ceylon for the import-control year ending June 30, 1950, are said to have been spent. These dollar purchases were made from the United States, Canada, and in payment of a large shipment of sugar from the Dominican Republic.

Although the import-control year has only about 3 months to run, the Government so far has not announced a definite import policy for the first half of this year. There appears to be a strong desire to allow greater imports from soft-currency countries in order to lower local living costs. However, controls, on imports from hard-currency areas seem likely to be retained. Nevertheless, United States firms have entered bids for a large order of prefabricated houses to be built by the Ministry of Industries. A trade and economic mission from SCAP spent a few days in Ceylon to discuss trade problems with Ceylon officials.

During February, prices of tea fell slightly from the high levels of January. Sheet-rubber prices reached higher levels than at any time during the past several years. Crepe lagged slightly behind the price advances. Prices of coconut products and the coconut industry in general tended to rise but were unstable, in reaction to the situation created by the termination of the coconut-oil-copra contract with the United Kingdom. The lack of announced Government policy with respect to the future sales of coconut products have also helped to create price uncertainties.

After an interval of nearly 3 months, the Government during the first week of March, licensed a large quantity of fresh coconuts which had previously been retained to meet local consumption requirements.

The Government food drive continues. The Department of Information has published a pamphlet outlining Ceylon's food plans which emphasizes reliance of Ceylon on imported foods, the need to increase acreage and improved yields from the crops in order to meet the increasing levels of population.

During February, there was an extensive and heated debate in the House of Representatives concerning the increase in cost of living. Devaluation and import controls were among other things blamed for the scarcities and high prices. Demands of tea and rubber workers for higher wages have met with favorable response from some of the Planters' Associations and the tea workers have been promised a small raise in wages.

The retiring Chief Justice of the Ceylon Supreme Court is now expected to assume the top Executive post for the new Reserve Bank about April 1.

A bill for coordinating road and rail transport is now being prepared for Parliament. The Government is endeavoring to reduce larger railway deficits. The Minister of Transport vigorously denied charges that he is seeking to nationalize private-owned bus and truck lines. The railway has ordered locomotives and coaches from England. It is hoped that the new rolling stock will materially improve the passenger service. An air agreement was signed with Thailand and a similar agreement is under negotiation with Burma. Air-Ceyon is carrying out a large local advertising campaign for its international flights.

# Dominican Republic

## AIRGRAM FROM U. S. EMBASSY AT CIUDAD TRUJILLO

(Dated March 21, 1950)

Business conditions in general exhibited little change in Dominican Republic during the month of March. However, considerable opposition has developed against the income tax and the 5 percent production and sales tax levies. Merchants believe that little of the additional tax burden can be passed on to the consumer, as prices for most retail goods are already at their maximum level. Absorption of the tax on the other hand will reduce profits and may force some merchants to shorten their stock position and limit installment sales to some extent.

A considerable increase in the number of commercial visitors from the United States has been noted as a result of the recent agreement with the Dominican Government permitting the use of tourist cards in lieu of visas by commercial travelers spending 30 days or less in the Republic.

Coincident with the arrival of a representative of the Los Angeles Chamber of Commerce on a trade-promotion tour, a local shipping firm announced that regular bimonthly shipping service from United States Pacific coast ports to the Dominican Republic was being inaugurated with the arrival of a vessel on March 13. The new service will join east-coast ports of South America with the west-coast ports of the United States via Ciudad Trujillo, Port-of-Spain, and probably other Caribbean ports.

Public-works activity during the month under review included: Completion of water facilities at the towns of Pena, Matas de Farfan, and Santiago Rodriguez; aqueduct and electric plant at Jimani; churches and market places at San Juan, Yamasa, and Elias Pina; electric-light facilities at Santiago and Salcedo; street improvements at Santiago, Luperon, Higuey, La Vega and Yamasa. A new road was completed joining the agricultural colony of El Pinar with El Cercado in the western Province of Benefactor. Another road between Canada Bonita and Villa Bisono in the northern Provinces of Santiago and Puerto Plata unites many small agricultural towns in this area and provides transport facilities to replace the suspended services of the Santiago-Puerto Plata Railway. Private construction has been intensified recently, particularly in Ciudad Trujillo and Santiago.

Foreign-trade figures for the month of January show a considerable decline in both exports and imports from the preceding month. The decline in exports was caused chiefly by a drop in coffee shipments following heavy December shipments to avoid payment of new taxes. The decline in imports was seasonal, following the usual upswing in December. Compared with the preceding year, January exports were down only about 4 percent, and imports were down almost 18 percent.

Official indexes for the month of January 1950 show increases in both wholesale and retail prices over the preceding month. The retail price index is also slightly higher than the January 1949 figure. The cost-of-living index for Ciudad Trujillo shows a slight increase in January over the preceding month, but is almost 10 percent under the January 1949 figure. Wage indexes, available only through December 1949, show a slight increase in that month over the preceding month.

Heavy rains continued to fall during February throughout the fertile Cibao valley, resulting in some damage to coffee, cacao, tobacco, plantain, and rice crops. Difficulty was also experienced in transporting agricultural products from interior producing areas to cities and ports for consumption or export.

The main rice harvest was nearing completion by the end of February. Official estimates of the Dominican Department of Agriculture placed the crop at 59,780 metric tons of rough rice, compared with the preceding year's output of 56,140 metric tons. Some trade sources, however, estimated the crop to be slightly smaller than last year's harvest. Signs of a rice shortage with upward pressure on prices began to appear in the Cibao at the end of February. The local press attributed the rise in prices to speculative hoarding of supplies by owners of rice mills and wholesalers.

The planting of tobacco was limited by heavy rainfall and insect infestation. With the planted area reported to be only 71 percent of that reported for 1949, prospects were for a much smaller crop than the 19,832 metric tons harvested in 1949.

# Ecuador

## AIRGRAM FROM U. S. CONSULATE GENERAL AT GUAYAQUIL

(Dated March 6, 1950)

The changes in the import lists announced on January 6 were brought about by a desire on the part of the Ecuadoran Government to shift a large part of the imports from the "essential" classification to "useful" and "nonessential." However, incomplete figures for the month of February indicate no change to date in the general makeup or total of imports. The Guayaquil Office of Import Control reports a total of more than $2,500,000 in import permits granted in Guayquil during February, as compared with a total of $2,300,000 for December 1949. February permits in Guayaquil followed roughly the following pattern: 67 percent, Class "A"; 24 percent, Class "B"; 5 percent, Class "C"; and 4 percent, "compensation" dollars.

The Ministry of the Treasury announced that only those tariff charges assessed on an ad valorem basis would be figured at the exchange rate of the import classification of the imported article as provided in the 1950 budget. All other duties collected at the customhouse would continue to be figured at the rate of 13.50 sucres to the dollar. It was also announced that the new rate would apply only to shipments effected after January 16, 1950.

February exports through the port of Guayaquil were unofficially reported at 29,000,000 sucres as compared with 21,000,000 sucres in February 1949. Shipments of 175,000 quintals of rice were made in February at an average price of US$6.20 f. o. b. Guayaquil. Present plans call for exporting an additional 100,000 quintals in March. It is expected

that some 500,000 quintals of nonexportable quality rice will remain from the 1949 crop. A large portion of this will be absorbed in internal consumption. Prospects for the 1950 crop are not yet clear. It has been estimated that there was some 15 percent less land planted to rice this season.

Banana and coffee prospects appear good. Exporters and producers are predicting banana exports of 7,000,000 stems as compared with 5,000,000 stems in 1949. A New Orleans fruit company entered the Ecuadoran banana-carrying trade with a trial shipment of 25,000 stems on February 12. It has plans to operate two ships with a maximum carrying capacity of 35,000 stems each. One of the well-established banana-carrying lines is investigating the possibility of establishing loading facilities along the coast between Manta and Esmeraldas. At present it appears that the 1950 cacao crop will be somewhat less than in the preceding year. The Government is continuing its program of trade agreements. Since the signing of the commercial treaty with Western Germany, commercial and trade agreements with Italy, Mexico, and Peru have reached the drafting stage.

To combat rising prices, the Government announced plans to set up several retail stores in Guayaquil to sell articles of prime necessity to the public at reasonable prices. Labor conditions remained unsettled. The General Assembly of workers of the State Railways refused to accept the agreement arrived at between their strike committee and the Railway. Negotiations continued throughout the month. The strike at the National Cement plant, the only plant of its kind in Ecuador, was declared illegal and the plant resumed operations after a layoff of more than a month. However, plant workers immediately presented another series of demands before the labor authorities. The Guayas Federation of Workers forwarded a recommendation to the National Federation for a nation-wide strike to take place March 20, to protest the recent series of allegedly antilabor decisions of the Labor Tribunals.

# Finland

## AIRGRAM FROM U. S. LEGATION AT HELSINKI

(Dated March 3, 1950)

Finnish imports in January 1950, had a value of 6,524,000,000 Finnish marks, or 2,250,000,000 marks more than the value of the month's "commercial" exports. For the preceding month the import balance was only 709,000,000 marks, whereas for January 1949 imports amounted to 4,113,000,000 marks and exceeded exports by 989,000,000 marks. During January 1950 there were heavy imports of coal and coke, and sugar, tobacco, gasoline, cotton, and iron and steel products were also imported. Although exports were at a seasonal low, totals were above those of January 1949 with the most significant increases in sawn lumber, matches, plywood, pulp board, and in mechanical, sufite, and sulfate pulp. Chemical-pulp exports were particularly large (almost twice those for January 1949) despite the difficulty that has been experienced in keeping Finnish ports open during this past winter.

An international fur auction was held in Helsinki on February 10 and 11. There were offered for sale 8,500 silver fox, 11,000 blue fox, 800 platinum fox, and 9,000 mink. The greatest demand was for silver fox and mink.

Trade-agreement negotiations between Finland and the United Kingdom were initiated in London on February 28. Among the subjects to be discussed is the possible relaxation of British regulations to enable British tourists to obtain Finnish currency. Finland is optimistic concerning the results of the London negotiations, inasmuch as the British Timber Control preliminarily agreed to purchase 200,000 standards of sawn lumber at slightly higher prices than last year. The prices of all Finnish lumber exports normally are determined largely by the prices paid by the British.

Finland concluded a barter agreement with Norway in February, trading Finnish reindeer meat for Norwegian herring, and negotiations with France resulted in an agreement to increase Finnish imports of French goods, to balance trade between the two countries. Negotiations with Poland and Iceland are scheduled. Those with the U. S. S. R. are at a standstill, causing some concern over future supplies of wheat and gasoline. Biannual negotiations concerning railroad traffic between Finland and the U. S. S. R. began in Helsinki on February 16.

The Government debt decreased by 2,600,000,000 marks during January 1950, to 137,200,000,000. The total foreign debt increased 1,100,000,000 marks, to 64,000,000,000; the total internal debt decreased by 3,700,000,000 marks, to 73,200,000,000. Travelers who visited Finland during 1949 brought with them 505,000 Swedish crowns; US$140,000; £55,000, and 9,000,000 French francs, or the equivalent of 120,540,000 marks in all. Finish seamen in foreign ports may now receive all their wages in foreign currency, according to a decision of the Bank of Finland. Previously only half of their wages could be paid in foreign currency.

On February 16 the Bank of Finland announced that the rate of the "clearing dollar" has been raised from 160 Finnish marks to 231 marks for trade with the Soviet Union, Germany, Yugoslavia, Hungary, Rumania, and Poland. All of Finland's trade relations involving clearing dollars is now at the rate of 231 marks=US$1, adding to the inflationary pressures in Finland. The wholesale price index (1935=100) for January increased 9 points over December 1949 and 59 points over January 1949, to a new high of 1,147, with the greatest increases in agricultural products. The cost-of-living index (August 1938–July 1939=100) for January increased 7 points over the preceding month and 38 points over a year ago, to 833, a new high.

The Finance Ministry has ordered a moratorium until February 28, 1951, on tax collections from 25,000 farmers in areas hard hit by last summer's frosts. The farmers had not paid their taxes within the prescribed time and were threatened with evictions and forced auctions for a total sum of 75,000,000 Finnish marks in back taxes. The 7.5 percent "trough" wage increase determined by the Cabinet in January has been extended to most workers employed on a time basis.

On February 18, 1950, there were 53,234 persons registered as unemployed, of which 44,974 were engaged on relief work. The decrease in lumbering activity during March is expected to cause a seasonal increase in unemployment, to an estimated total of 75,000 unemployed. Employment in the wood-processing industries is expected to remain stable during 1950, as export agreements have been concluded which indicate that Finland's pulp exports in 1950 will be limited only by its production capacity.

# Honduras

## AIRGRAM FROM U. S. EMBASSY AT TEGUCIGALPA

(Dated March 18, 1950)

The Honduran Legislature passed the Civil Aviation Law, which may have important effects upon aviation and the economy of the Republic of Honduras. The law has not, however, been promulgated.

Decree No. 63 of February 10, 1950, Law Governing Banking Establishments, which was published in La Gaceta, sets up regulations covering the operations of all banking houses in Honduras, particular emphasis being placed upon the relations of the individual bank with the Banco Central de Honduras. Decree No. 72 of February 17, 1950, National Banking Organization Law, has also been promulgated. This is an addition to the Central Bank Law, decree No. 53 of February 3, 1950, and deals specifically with the organization and functions of an organizing committee, which is charged with preparing the ground for the establishment, on May 31, 1950, of the Banco Central de Honduras and the Banco Nacional de Fomento (National Development Bank).

Reduction of the stumpage tax on mahogany, ebony, and walnut from $8.50 to $6.35 (17 to 12.70 lempiras) per cubic meter as well as the reduction of the export tax on these woods from $8.50 to $6.35 per cubic meter was effected by decree No. 75, published March 10, 1950. It remains to be seen whether this downward adjustment will increase lumber operations which were curtailed in 1949.

Business conditions improved somewhat over February. Banks reported better collections on outstanding drafts, although credit sales made up the larger part of wholesale and retail trade. Merchants reported a general tightening of bank credit for importations. One large wholesaler in fact reported credit sales as double cash transactions.

A small factory producing wooden boxes, particularly designed for the shipment of aguardiente by air, began operations in Tegucigalpa. Forty men were employed by this plant.

Announcement was made in local newspapers of a plan to start a paper mill, using Honduran pine for pulp. If locally produced pulp is found to be too exensive, the plan calls for the use of imported pulp.

In the north-coast area, the excess of labor, principally caused by fruit-company lay-offs, was largely absorbed by the coffee and sugar harvests and slightly increased banana planting.

Importations of iron bars for construction, from Italy and Belgium, were reported in San Pedro Sula. Based on prices 50 percent less than those of United States products, coupled with less "red tape" for export permits, these products were finding a ready market in the area.

Two shipments of bananas, one of 59,000 stems and the other 63,000 stems, were made to Rotterdam, and more were anticipated.

# Mexico

## *Economic Conditions*

### Recent Developments

Business was somewhat better than normal in Mexico during February, and there was general optimism regarding the future. With cotton marketing nearing completion and a smaller coffee crop, there was a decline in exports; imports on the other hand increased as merchants replenished stocks, particularly commodities expected to be placed under import control. The result was a diminished surplus of dollars in the exchange market. Collections were satisfactory and generally better than several months earlier. Bank deposits were 2 and 3 percent higher than on September 30, 1949. However, inasmuch as 100 percent of any deposit increase must be deposited in the Bank of Mexico (unless loaned to or invested in industry or agricul-

ture for a medium or long term), pursuant to a Central Bank circular of September 30, 1949, commercial credit remained tight and expensive. Demand for gold declined in the domestic market, and quotations for gold coins and industrial gold followed a downward trend.

Cameras, laboratory apparatus, and scientific instruments made in the United States had increased competition particularly from products made in Western Germany, also those from Japan, Czechoslovakia, and Switzerland. German equipment was priced about 40 percent below comparable United States articles; Japanese products were much cheaper. Likewise, British electrical equipment was underselling comparable United States equipment.

In February, strike threats dominated the labor situation despite the settlement of one major labor dispute and the renegotiation of important contracts in the mining industry. A 2-day strike against La Consolidada steel company was settled on the basis of no-wage increase for Mexico City plant workers, but a 10 percent increase for workers in the Piedras Negras mill. Strikes broke out on the important Lerma water project, in printing shops of the Federal District, among certain State school teachers, and in one of the telephone companies. Demands of sugar and textile workers for wage increases remained under study by the Government, while the railway union continued to press wage demands.

The official barometer of commerce, which attempts to index the entire Mexican economy, measured an average level of economic activity of 3.6 percent higher in 1949 than in 1948. Component indexes registered corresponding average increases in significant sectors of economy as follows: Productive activity, 5 percent; wholesale distribution, 5.3 percent; retail distribution, 1.5 percent; general trade activity, 2.4 percent, and financial activity (only 1 percent of total index because of relative unimportance of Mexican stock-exchange operations), 14.5 percent.

The peso value of Mexican foreign trade was 27.4 percent greater in 1949 than in 1948, the positive trade balance being 96,000,000 pesos in 1949 as compared with the negative balance of 290,000,000 pesos in 1948. Comparable figures for the 2 years were, in millions of pesos: Imports (1948), 2,951; (1949), 3,527; exports (1948), 2,661; (1949), 3,623.

Tourist entries during 1949 of 305,561 were 21 percent greater than in 1948 and indicated an estimated net return to Mexico of about $125,000,000 (U. S. currency) as against more than $90,000,000 for 1948.

Monetary circulation (bills and coins in circulation plus sight deposits) rose to 4,415,000,000 pesos by the close of 1949, 11 percent higher than a year earlier. Bank clearings during December 1949 amounted to 2,845,000,000 pesos compared with 2,521,000,000 pesos in December 1948. The Mexican banking system, exclusive of the National Bank of Ejidal Credit (Agricultural Bank) had expanded credits to 4,289,000,000 pesos at the end of 1949, compared with 3,860,000,000 pesos at end of 1948.

Production of gold, lead, and petroleum was higher in 1949 than in 1948; silver production was markedly lower; and copper and zinc production was slightly lower. Official production figures for 1949 were as follows: Gold, 405,562 troy ounces; lead, 220,764 metric tons; petroleum, 60,910 (1,000 United States barrels); silver, 49,450,000 troy ounces; copper, 57,245 metric tons; and zinc, 178,402 metric tons.

Four major electric-power producers generated a total of 3,222,700,000 kilowatt-hours during 1949, compared with 2,923,800,000 kilowatt-hours during 1948.

Prices were generally higher in 1949 than in 1948, according to official indexes which show that wholesale prices had increased 9.5 percent, and the cost of living of the working classes (in Federal District) had risen 5.3 percent. Toward the end of 1949, wholesale prices began to decline slightly, the price index for January 1950 was lower than for any month since August 1949, and food prices were lower in January 1950 than in any month since June 1949.

The volume of construction in the Federal District is steadily increasing; official statistics showed a 4.9 percent increase in 1949. Official figures show 8,409 new and old buildings finished during 1949 at a cost of 247,000,000 pesos, compared with 8,018 at a cost of 106,000,000 pesos in 1948. New projects under construction in the Federal District include an airport terminal, a railway freight terminal, and a university city. A large multifamily housing development was recently erected, and the construction of another one is planned.

The most important development during February in foreign trade was the revocation on February 9 of a controversial Executive resolution published on December 24, giving the State agency Compañía Exportadora e Importadora de Mexico, S. A. (CEIMSA) sweeping powers over foreign trade in restricted or prohibited commodities. The action nullifying that resolution leaves import and export controls under Ministry of Economy with Agriculture Ministry being consulted in appropriate cases, and relegates CEIMSA to more limited operations in disposition of agricultural surpluses and importation of essential foodstuffs in short supply (chiefly wheat and lard). Ratification by Mexico of a general most-favored-nation agreement with Italy, signed in September 1949, was promulgated by a decree published February 1.

Railroad improvements involve: (1) Laying important Monterrey-Matamoros line with 112-pound rails preliminary to equipping entire national system with heavy rails, and (2) purchasing with Eximbank funds of one hundred 1,000-horsepower Diesel locomotives. American railway cars held by Mexican National Railways increased during January by 376 to 5,929 cars (exclusive of tank and refrigerator cars), 9 percent above 1949 monthly average.

In accordance with Mexico's announced policy of consolidation of smaller air lines, Aero-Transportes, S. A. (ATSA) is absorbing Transportes Aéreos de Jalisco and Aerovias Latino Americanas, S. A. Mexico has granted four freedom rights under Spanish-Mexican Bilateral Air Transport Agreement to Spanish Iberia air line, which is expected to begin regular service during March with DC–4 equipment.

Legislation published on February 11 established standards for installation and operation of television stations similar to those used in the United States. Thirteen channels are set up and frequencies assigned to each. Transmission will be on bands ranging from 550 to 1,600 kilocycles per second; the number of exploration lines per frame is 525, and frame frequency was set up at 30 to 60 per second. A complete station is being installed to cover the Mexico City area, and a large local radio station is being redesigned for television. Local radio dealers report that demand for television receivers already exists. Two new weather-reporting stations are being installed in Oaxaca and Pochutla, State of Oaxaca, under international agreement between the Mexican Meteorological Service and the Weather Bureau.

Mexico's radio industry, which was in its first year of full production in 1949, had an output of 116,000 receiving sets of chiefly American and some European brands, compared with 71,500 in 1948. Seven assembly plants were in operation at the beginning of 1949, 10 are in operation at present.

Failure of voluntary rationing to reduce electric consumption sufficiently plus a further deterioration of power supply in the central area resulted in the Ministry of Economy decreeing half-hour power suspensions on Saturdays and Sundays, and later increasing these suspensions to 45 minutes nightly and to 3 hours on Saturday mornings. Effective February 12, official time in the Mexico City area was advanced 1 hour, also to conserve electricity. The President of the World Bank on inspection of Mexican electric-power plants commended Mexico for rehabilitation of credit, but urged efforts to channel private savings away from traditional preference for real estate into investment in industrial equities. Meanwhile, national savings bonds of 50,000,000 pesos were issued to finance public works and basic economic developments. The first Mexican Technical Petroleum Convention opened on February 20 with 300 delegates from Western Hemisphere governments, private concerns, and the national petroleum monopoly (Pemex).

Winter-vegetable shipments from the west coast totaled 3,371 cars on February 16 compared with 1,133 cars on the same date in 1949. Regulations under the new Federal meat-inspection law were published and became effective on February 16. The Commodity Credit Corporation purchased for Greece, under ECA authorization, 1,500 metric tons of frozen carcass beef, and asked for bids for additional 2,500 tons. A decree was published on February 16, regarding ratification by the Mexican Senate of the treaty signed with the United States on January 25, 1949, for the establishment of an International Commission for Scientific Investigation of Tuna. A recent survey by United States technicians revealed that the Mexican rubber area had declined to one-half the original plantings.

Amendments to the Agrarian Code, published and effective in January 1950, represent new developments in Mexico's agrarian policy in the following respects: (1) Holders of land in communities granted land by the Government under the agrarian program (ejidatarios) are given the right of injunction (amparo) against illegal seizure of plots possessed by them, and thus have the same protection as a private landowner, who is protected against expropriation under the land reform program by possession of a certificate of "inaffectibility"; (2) concessions for livestock raising on a temporary basis on greater acreage than permitted a single owner on a permanent basis may be extended for additional 25-year period; (3) the holder of a livestock concession may make cash payment in lieu of furnishing neighboring ejidos 2 percent of annual calf crop and 5 percent of other livestock production; and (4) the holder of a livestock concession may locate within his concession a smaller area for permanent utilization both for livestock raising and for farming.

## *Tariffs and Trade Controls*

### Import and Export Commission Established

The United States Embassy at Mexico City reports that an Import and Export Commission has been established to perform basic research and make policy recommendations with respect to Mexico's foreign-trade restrictions for the purpose of providing greater coordination and uniformity in the operation thereof.

The Commission is to make continuing studies as to items which should be included in or excluded from export control, import

(Continued on p. 43)

# NEWS by COMMODITIES

**Prepared in Commodities Division, Office of International Trade, Department of Commerce, Unless Otherwise Indicated**

## Automotive Products

### Imports, Honduras

Imports of motor vehicles into Honduras totaled 673 units (348 passenger cars and 325 trucks and busses) in the year ended June 30, 1949, as compared with 690 units in the preceding year. All of the motor vehicles were of United States origin.

### Motorcycle Manufacture, Hungary

Production of 350-cc., motorcycles will begin soon at the Weiss Manfred Factories at Csepel, Hungary, according to an official of the company.

### Manufacture of Motor Scooters, Italy

About 200 "Lambretta" 1-cylinder, 125-cc., motor scooters were being manufactured daily in February 1950, by Innocenti, S. G. at Lambrate near Milan, Italy. Officials hope to increase production to 250 units a day. The price of the popular model is 125,000 lire ($200 United States currency). More than 90 percent of output is being absorbed by the home market for transportation purposes.

### Registration of New Motor Vehicles, New Zealand

New motor vehicles registered in New Zealand in 1949, with figures for 1948 in parentheses, included 10,509 (14,516) passenger cars; 7,738 (6,803) trucks and busses; and 1,886 (1,419) motorcycles.

British makes led in 1949 registrations with 8,867 passenger cars, 6,493 trucks and busses, and 1,845 motorcycles, compared with 11,836 passenger cars, 3,220 trucks and busses, and 1,367 motorcycles in 1948. United States and Canadian makes ranked second, accounting in 1949 for 1,628 passenger cars (2,678 in 1948); 1,245 (1,352) trucks and busses; and 40 (52) motorcycles.

### Exports, U. K.

Exports of motor vehicles from the United Kingdom in January 1950 totaled 30,747 passenger cars and 10,267 trucks and busses as compared with 19,290 passenger cars and 7,845 trucks and busses in January 1949.

January 1950 passenger-car exports included 657 units to the United States; 5,749 to Canada; and 11,814 to Australia. Of truck and bus exports in January 1950, the United States took 8 units, Canada 452, and Australia 3,854.

## Chemicals

### New Process Used in Nitrate Production, Chile

A new "butterfly" process was placed in commercial operation at the Mapocho plant of the Cia. Salitrera de Tarapaca y Antofagasta in February 1950. It promises to reduce the high production costs which have made increasingly difficult the situation of the nitrate companies using older methods. The term for the process derives from the shape of the large sprinkling device which is used.

The new method is expected to increase substantially the output of potassium nitrate and to permit greater utilization of the lower-grade salts.

### Fertilizer Demand Exceeds Supply in Denmark

Rationing of phosphatic and potassic fertilizers in Denmark ended in 1949, but the quantities available did not meet demand and dealers started a private rationing system. Despite a large increase in the supply of nitrogenous materials, demand has been so great that official rationing is being continued.

### Ammonia Supply Situation, Egypt

Egypt's supplies of ammonia are considered ample, and restrictions on sales have been lifted. It has also been announced that import permits will be issued to firms other than Imperial Chemical Industries, Ltd., which has controlled the market. Domestic production of ammonia is about 60 metric tons annually, but requirements are for 120 tons.

### Fertilizers in Short Supply, Western Germany

Production of fertilizers in Western Germany in early 1950 has dropped about 50 percent below normal, despite the continued need for them. Stocks have accumulated as a result of a general withholding of purchases by farmers in the hope of lower prices.

### Production in 1949, Greece

The following chemical materials were produced in Greece in 1949, quantities in metric tons, value in United States dollars (figures submitted by mining industry): Iron pyrites, 15,785 tons ($142,025); red lead, 294 ($197,720); and litharge, 503 ($336,602).

### Planned Cooperation Between Hungarian and Polish Industries

Extensive cooperation between the chemical industries of Hungary and Poland is under consideration. A delegation from the Polish Chemical Industry Trade Unions has been in Budapest to work out details, and especially to exchange information on fertilizer production.

### Superphosphate Production, India

A provisional target of 50,000 long tons has been established for superphosphate production in India in 1950. Installed capacity is 90,000 tons.

### Soil-Improvement Under Consideration, India

Soil surveys on an extensive scale are needed in India, states the Secretary of the Department of Scientific Research. Where deficiencies are found, they should be made good by the application of fertilizer as the quickest means of stepping up food production, it was said. Government assistance in such a project was advocated.

### Camphor Production, Japan

Production of crude camphor in Japan in December 1949 was 185 metric tons; output of crude camphor oil was 144 tons, and that of refined camphor, 55 tons. These figures represent increases of 31 to 72 percent over production in November, but were slightly less than output in December 1948.

### Plans for Developing Superphosphate Industry, Phillipines

The National Development Co. of the Republic of the Philippines is studying plans to organize a firm to be known as the Philippine Chemical Corporation to undertake development of a large-scale superphosphate industry. The corporation will be capitalized at $2,500,000 to $3,500,000 and will be managed by private interests. The proposed plant is expected to make 45,500 tons of fertilizer annually and to be capable of a 50-percent increase on a double daily shift. Operations are scheduled to start about a year after work begins on the project.

### Sulfur Production, Spain

To encourage production of sulfur from domestic deposits of the ore, the Spanish Government pays a premium of 400 pesetas per metric ton for refined sulfur obtained from this source. (10.95 pesetas=US$1, official rate.) Production costs by this method are high and output has been decreasing. Sulfur is being produced principally from pyrites.

### Increased Exports of Chemicals, Drugs, and Dyes, U. K.

Exports of chemicals, drugs, dyes, and colors from the United Kingdom in 1949 totaled £89,090,000, compared with £83,580,000 in 1948, according to figures from Trade and Navigation Accounts published in the British press. Among the leading items were ammonium sulfate; creosote; copper sulfate; disinfectants, insecticides, and weed killers; tetraethyl lead; soda ash and sodium bicarbonate; and caustic soda.

### Fertilizer Requirements in the Cameroons, U. K.

Results of a soil analysis of reserve lands held by banana plantations in British Cameroons show the chemical content to be low, so that growers will need considerable fertilizer. Plantations were allowed to import 1,500 tons of fertilizer in 1949 and have requested 1,600 tons for the coming season.

### Production of Coal-Tar Dyes, U. K.

The United Kingdom's coal-tar-dye production increased from 20,000 long tons in 1938 to 38,000 tons in 1947 and 46,000 tons in 1948. Increased facilities for the manufacture of dyes are being provided, and it is estimated that in the next few years output will be expanded to slightly more than

50,000 tons. The greater portion of this gain probably will be reflected in increased exports. It is not anticipated that there will be any marked change in future imports.

Owing to increased production in 1947, 1948, and 1949, the United Kingdom's exports in those years were 159 percent, 176 percent, and 180 percent, respectively, greater than those of 1938. Increases in exports in 1949 over those in 1938 were 100 percent by volume for countries in the British Commonwealth and 413 percent for all other countries. Exports to British Commonwealth countries in 1938 accounted for 69.7 percent of the value of total exports of coal-tar dyes, but in 1949 the pattern changed and these countries took only 53.4 percent of the total. Of these countries, India, Australia, and Hong Kong, in that order, were the largest markets in both 1938 and 1949. In 1949 the Netherlands, Argentina, and Sweden, in that order, were the principal customers outside the British Commonwealth. Table 1 shows the quantity and value of British exports of coal-tar dyes in 1938 and 1947–49.

As a result of increased domestic production of coal-tar dyes, the United Kingdom's volume of imports in 1947, 1948, and 1949 (table 2) dropped to 27.3, 30.3, and 22.7 percent, respectively, of those in 1938. Imports from Germany declined most, in 1948 being less than 7 percent of those in 1938. Imports from Switzerland dropped to 52 percent, and those from France decreased slightly. The United States exported 138,133 pounds of dyes to the United Kingdom in 1949, or 12.8 percent of total British imports of these materials.

TABLE 1.—*U. K.'s Exports of Finished Dyes Obtained From Coal Tar*

| Country of destination | 1938 | | 1947 | | 1948 | | 1949 | |
|---|---|---|---|---|---|---|---|---|
| | Hundredweight [1] | Value | Hundredweight [1] | Value | Hundredweight [1] | Value | Hundredweight [1] | Value |
| Eire (Irish Republic) | 3,118 | £34,298 | 6,098 | £125,956 | 5,979 | £138,353 | 5,745 | £117,430 |
| British West Africa | 2,222 | 105,759 | 2,863 | 136,921 | 3,985 | 190,804 |
| Union of South Africa | 1,149 | 14,151 | 3,634 | 91,309 | 4,272 | 127,865 | 5,538 | 183,217 |
| India [2] and Pakistan | 14,325 | 315,748 | 39,715 | 1,636,706 | 38,929 | 1,719,998 | 30,877 | 2,132,275 |
| Hong Kong | 8,437 | 76,722 | 28,857 | 763,973 | 12,889 | 376,311 | 17,562 | 465,436 |
| Australia | 21,166 | 204,385 | 18,080 | 522,760 | 28,731 | 862,312 | 22,018 | 618,517 |
| Canada | 6,687 | 113,443 | 4,839 | 143,975 | 5,860 | 201,128 | 6,059 | 237,550 |
| Other British countries | 2,855 | 32,022 | 8,231 | 204,981 | 14,178 | 371,796 | 23,568 | 841,946 |
| Finland | 379 | 4,920 | 3,453 | 117,011 | 2,511 | 126,536 | 3,389 | 179,902 |
| Sweden | 1,766 | 22,538 | 4,901 | 159,245 | 9,835 | 397,227 | 8,886 | 353,642 |
| Denmark | 1,022 | 13,854 | 2,274 | 64,906 | 4,153 | 125,135 | 4,429 | 132,518 |
| Netherlands | 696 | 10,165 | 10,335 | 366,609 | 17,971 | 537,897 | 20,898 | 642,305 |
| Belgium | 1,587 | 23,040 | 13,615 | 466,267 | 8,722 | 298,657 | 5,236 | 179,139 |
| France | 2,715 | 62,297 | 3,624 | 107,279 | 4,545 | 172,785 | 3,544 | 196,807 |
| Spain | 69 | 1,240 | 1,966 | 134,636 | 2,548 | 193,920 | 1,357 | 100,428 |
| Hungary | 629 | 24,306 | 2,631 | 121,140 | 1,035 | 32,432 |
| Czechoslovakia | 242 | 4,416 | | | | | | |
| Yugoslavia | 150 | 1,415 | | | | | | |
| Turkey | 925 | 12,586 | 4,024 | 117,513 | 6,480 | 182,401 | 6,916 | 193,229 |
| Egypt | 2,306 | 33,871 | 4,079 | 126,100 | 7,691 | 336,620 | 5,944 | 269,186 |
| Iraq | | | 1,578 | 43,388 | 2,082 | 69,798 | 1,526 | 42,600 |
| China | 833 | 12,961 | 21,858 | 510,720 | 8,506 | 187,718 | 2,732 | 44,869 |
| Brazil | 341 | 11,578 | | | | | | |
| Argentina | 846 | 15,246 | 3,051 | 104,972 | 7,815 | 259,081 | 12,873 | 462,132 |
| Other foreign countries | 8,017 | 113,593 | 19,280 | 684,067 | 20,808 | 734,943 | 33,621 | 1,354,279 |
| Total | 79,631 | 1,134,489 | 206,343 | 6,622,438 | 219,999 | 7,678,532 | 227,738 | 8,970,643 |

[1] 1 hundredweight equals 112 pounds.
[2] 1938 and 1947 figures relate to British India.

SOURCE: Trade and Navigation of U. K.

TABLE 2.—*U. K.'s Imports of Synthetic Organic Dyes (Including Pigment Dyes and Compounds)*

| Source | 1938 | | 1947 | | 1948 | | 1949 | |
|---|---|---|---|---|---|---|---|---|
| | Hundredweight [1] | Value | Hundredweight [1] | Value | Hundredweight [1] | Value | Hundredweight [1] | Value |
| British countries | 22 | 498 | 6 | 288 | 86 | 4,974 | (2) | (2) |
| Germany | 26,638 | 812,058 | 4,064 | 204,986 | 1,772 | 123,178 | (2) | (2) |
| France | 2,403 | 60,740 | 1,623 | 86,997 | 2,372 | 129,447 | (2) | (2) |
| Switzerland | 12,611 | 472,160 | 3,959 | 380,667 | 6,608 | 646,869 | (2) | (2) |
| Other foreign countries | 807 | 15,600 | 1,960 | 99,643 | 2,047 | 110,961 | (2) | (2) |
| Total | 42,481 | 1,361,056 | 11,612 | 722,581 | 12,885 | 1,015,429 | 9,659 | 862,581 |

[1] 1 hundredweight equals 112 pounds.
[2] Not available.

SOURCE: Trade and Navigation of U. K.

### UREA PRODUCTION, JAPAN

Urea has been produced in quantity in Japan since 1937. It has been made for fertilizer purposes since August 1948, when a plant with an annual capacity of 15,000 metric tons opened at Sunagawa, Hokkaido. Three other factories produce urea for plastics and five more have filed plans for installation of equipment to make the material.

However, lack of technical know-how has hampered low-cost production. On a nitrogen basis, costs are about 30 percent higher than for ammonium sulfate. Government assistance is supporting production of urea for fertilizer. Research and modernization programs are expected ultimately to lower costs, so that they will compare more favorably with those of the ammonium-sulfate industry.

### CAPACITY PRODUCTION MAINTAINED, UNION OF SOUTH AFRICA

The South African chemical industry maintained capacity production in 1949 within limits fixed by the raw materials available from abroad. Manufacturers of fertilizers were fully engaged.

### DEVELOPMENT IN U. K.

The Ministries of Food and Health, United Kingdom, have decided that chlorine dioxide will replace nitrogen trichloride as a bleaching agent in flour. A new plant under construction in Cheshire will manufacture sodium chlorite used in the production of chlorine dioxide.

# Coal

### NEW POSTWAR PEAK IN COAL PRODUCTION, WESTERN GERMANY

Production of hard coal (anthracite and bitminous) in Western Germany reached a new postwar peak in January 1950, totaling 9,327,000 metric tons. This was more than 1,000,000 tons above output in January 1949.

### COAL STOCKS GROWING IN BIHAR PROVINCE, INDIA

The Bihar coal fields in India are particularly hard struck by the suspension of exports to Pakistan. Between 180,000 and 200,000 tons of coal normally moved each month to Pakistan, but during January stocks of coal accumulated at the railheads and in coal docks. The Government of India accordingly has offered to increase the quota of coal exports to Burma, Ceylon, Hong Kong, Malaya, and Singapore. New markets also were being sought in Japan and in Italy.

### COAL-PRODUCTION DECLINE IN 1949, NIGERIA

Production of coal in Nigeria amounted to 607,757 tons in 1948 but in 1949, because of continued labor troubles, it fell to 524,007 tons.

The Nigerian railway normally consumes 365,000 tons a year and the remainder is used by power plants and other industries, except for a small tonnage sent to the Gold Coast and Sierra Leone for their railways.

It is believed that if Nigerian production could be increased at an economic cost, coal could be exported to the Belgian Congo and to neighboring French colonies.

In an effort to improve output and reduce costs, the Enugu Coal Board was instituted late in 1949. There are plans to utilize more machinery and otherwise modernize production methods, but this will require funds which are not available on the scale required.

# Construction

**(Prepared in the Construction Division, Office of Domestic Commerce)**

### PACIFIC GREAT EASTERN RAILWAY PROJECT, CANADA

Construction work on 47 miles of the 87-mile extension of the Pacific Great Eastern Railway, from Quesnel to Prince George, Canada, was completed during 1949, according to the Consulate General at Vancouver. Work on the remaining 40 miles of the project will be accelerated and contracts let early in 1950 in order to complete the extension by 1951.

Plans are being completed for two main bridges over Cottonwood Canyon and Abau Creek, and bids soon will be requested for the substructure, steel fabrication, and erection on the structures to cost an estimated $1,250,000. Across Cottonwood Canyon the bridge will be 1,020 feet long and 220 feet above the water. The Abau Creek crossing will be 920 feet long and 135 feet high.

### NEW COLD-STORAGE PLANT, CHILE

Preliminary work has started on the construction of a cold-storage plant on a recently completed pier at Talcahuano, Chile. The

building will have three floors, each with an area of about 40,000 square feet and will cost about 23,400,000 paper pesos (official rate for the paper peso is 60 to US$1). Construction, expected to be completed in about 18 months, is being directed by the firm of Pinera, Cavarrubias y Lyon, Ltda., with offices at Calle Ahumada 312, Santiago.

### Extension of Water and Sewerage Systems, Chile

The Chilean Bureau of Public Works has been authorized to expend 121,800,000 paper pesos during 1950 in the extension of water and sewerage systems throughout the country, 35,000,000 of which have been assigned to the city of Valparaiso and 22,200,000 to Santiago.

### Concession Granted for Construction of Subway System, Chile

A governmental decree was officially promulgated recently granting a Chilean engineer an option on the concession to construct and operate an electric subway system in Santiago and vicinity.

The decree specifies that the concession must form a Chilean corporation with a minimum capital of 600,000,000 pesos. The construction program for the first section should be submitted for governmental approval in the early part of August 1950.

### Municipal Construction Budget for 1950, Budapest, Hungary

During 1950 the city of Budapest, Hungary, and its suburbs will spend 50,000,000 forints (approximately $4,000,000) for the construction of 950 new apartments, according to budgetary estimates recently made public. An additional 25,000,000 forints will be expended during the year for the reconstruction of 500 war-damaged apartments.

Other construction expenditures scheduled for the current year, according to the budget announcement, include a total of 60,000,000 forints for work on sewage-disposal systems, water works, and road maintenance (1 forint = about 8½ cents in U. S. currency).

This year's budget represents the initial stage of the city's 5-year plan for new construction, the announcement indicated. Ultimately, it is anticipated, 500,000,000 forints will be spent for the construction of new "workers" apartments and another 500,000,000 for new schools and hospitals. Expenditures of 30,000,000 for water-distribution systems and 20,000,000 for new roads, pavement, and other communication items also are contemplated in the plan.

### Housing Program for 1950, Israel

Details of Israel's housing program for 1950 were announced recently by the Government's Director of Planning. According to the Director, some 36,000 of the 50,000 housing units to be erected during the year will be built in Jerusalem, Beersheba, Majdal, Hadera, and Naharia. Practically none of the Government-sponsored houses will be constructed in the overcrowded Tel Aviv area.

The General Mortgage Bank of Palestine has announced its readiness to grant mortgage credits up to a sum of I£200,000 (approximately $560,000) on new buildings in Jerusalem. The mortgages will be given up to 50 percent of the building cost and will carry interest at 6 percent.

### Proposed Public-Works Program for 1950, Mexico

Mexico City newspapers recently announced a large program of public works to be undertaken in the Federal District during 1950. The cost of the program will aggregate between 50,000,000 and 100,000,000 pesos (about $6,000,000 to $12,000,000).

Paving of several main avenues and streets in many of the suburbs of the city is among the first projects to be undertaken. New sanitation and electrification facilities will be installed as part of this project.

In addition, the program schedules the construction of 20 schools in the heavily populated areas of the Federal District, a women's prison, two municipal theaters, three youth centers, and a large modern building to accommodate archives, property, and deed records. The construction of an auditorium in Mexico City, having a capacity for 15,000 to 18,000 persons is also contemplated; however, this will come under a separate program.

### Public-Works Budget, Guanajuato, Mexico

The Guanajuato State Government budget discloses that 5,000,000 pesos (about $575,000) is destined for public works in 1950 with 4,500,000 earmarked for schools. The Government includes 120,000 pesos (about $14,000) as its share of a regional hospital at Leon. Highways and small irrigation projects throughout the State will account for the remainder.

### 1950 Building Program, Yucatan, Mexico

The Junta Federal de Mejoras Materials, which is in charge of the public works program of the port of Progreso, announced that the following construction program had been approved for the calendar year 1950:

| *Project* | *Estimated cost (In approximate dollar equivalents)* |
|---|---|
| Completion of Candelaria Ruz School | $15,000 |
| Repair and paving of city streets | 20,000 |
| Construction of new school building | 35,000 |
| School furniture | 7,000 |
| Construction of other public buildings | 20,000 |
| Total | 97,000 |

The local newspaper, Dianio de Yucatan, reported on January 28, 1950, that several construction projects in the State of Yucatan were halted temporarily because of a shortage of cement.

### New Building Products Factory To Be Erected, Union of South Africa

A new factory will be erected in the town of Springs, for the Sanbra, Ltd., according to "Engineer and Foundryman," official publication of the Steel and Engineering Industries' Federation of South Africa. The plant will specialize in the production of brass products for the plumbing, building, and engineering industries. Building operations were scheduled to start in March on a 4-acre site, and it is anticipated that the factory will be ready to go into production in June of this year.

The Springs factory will represent the initial stage of a 5-year company development plan with a subscribed capital of £100,000 (about $280,000).

# Electrical Equipment

**(Prepared in Machinery and Transportation Equipment Division, Office of Domestic Commerce)**

### Situation in U. K.

British productivity of power-plant equipment is not expected to overcome the load demand deficit of nearly 2,000,000 kilowatts and at the same time take on unrestricted load growth until at least 1956, according to recent reports. At present between 4 and 5 years are required to bring a new station into operation, as compared with 3 years which ordinarily would be considered adequate. Delays resulting from manpower shortages, manufacturing facilities, construction, designs, and the like are affecting the completion of new plants.

In some cases operation has been delayed by slowness in the installation of the boilers. Some of the contributing factors are: Time required for clearance of designs; shortage of pressure components, such as tubing and pipe and valves; and long fabrication time. Erection time has been lengthened by inadequate labor, housing for labor at remote sites, delivery of material and equipment, lack of tools, and inconvenient access to the work.

Plants that have been commissioned up to now represent the thinking of operating organization prior to April 1, 1948, when the British Electricity Authority assumed control. These plants, in general, are not conductive to large-scale planning. Of a total of 280 boilers, 125 have a steaming capacity of 250,000 pounds per hour or less (90 were 200,000 pounds per hour or less). Of the 153 turbo generator sets in the program, only 4 are less than 30 megawatts, and a corresponding steam requirement of about 300,000 pounds per hour. B. E. A. has recognized this condition, and its present plans call for larger capacity units, particularly in boilers. Time and material savings for equal capacity will be gained appreciably both in fabrication and erection.

Import assistance for the B. E. A. program has been considered in terms of components and complete units. Imports of piping and tubing from German mills, and low pressure valves from Italy have relieved shortages in recent weeks. Imports of complete boiler units have been considered.

Some shortages may be alleviated by new production facilities, particularly in pipe fabrication which has been one of the tighter items. Welding for high-pressure work is not as readily accepted in Great Britain as in the United States, especially in valves, fittings, manifolds, and the like, which require field welding with preheating and stress relieving, procedure control, and testing.

The need to import complete units is still urgent despite these improvements in the productive capacity. The present equipment that operated during the war under overload conditions is in poor condition. It is necessary to improve the entire system by better maintenance and new units.

Consideration has been given to importing equipment from the United States for three 240,000-kilowatt generating stations. Each station would have four 60,000-kw. units and four 515,000-pound-per-hour boilers. Two stations would operate at 1,500 pounds per square inch pressure and 1,050 degrees Fahrenheit, the other at 900 per square inch and 900 F. Cost would be about $8,500,000 and would be contingent upon ECA financing or a loan from the International Bank. Financing by ECA for all three is not likely, and a loan from the International Bank might be slow in processing, so the time saved might not be appreciably over that needed to carry on all the fabrication in Great Britain.

The present B. E. A. method of letting contracts is under revision. At the present time a contract is let to a fabricator subject to approval by consulting engineers. B. E. A. is now building up engineering and design organizations to eliminate delays in outside work and to delegate authority at one point. This staff would not do the detail designing but would determine unit capacity, steam

pressures, heat cycles, and other general conditions. Prime contracts would be let to five general prime contractors as follows: Site preparation; structure; steam plant including coal handling, piping, valves, and the like; turbo-alternator including auxiliaries, condenser, heaters, and pumps; electrical work including switchgear, transformers, bus work, cable, and wiring.

Plants from the United States would follow United States standards. A British engineer would coordinate the work to insure contract concurrence and to act as liaison.

A British associated company of a United States manufacturer might be used as a British supplier with assistance from the United States associate. This would eliminate some of the disadvantages.

# Foodstuffs and Allied Products

## *Coffee and Cacao*

### Increase in Value of Colombia's 1950 Coffee Crop

Financial experts believe that during 1950 Colombia will receive at least an additional $100,000,000 for its 1950 coffee exports. This estimate may be conservative inasmuch as Colombia probably will have available for export during 1950 about 5,750,000 bags of 60 kilograms each, and even though prices may decline from the all-time high reached at the end of 1949, the increased number of bags available for export may make it possible for Colombia to obtain more than an additional $100,000,000.

At the end of January 1950 interior stocks of the Federation were estimated at 400,000 bags of 60 kilograms each of exportable coffee from crops prior to the present one. In addition, there were believed to be in the interior or en route to ports approximately 900,000 bags of coffee. Of the total end-of-the-year crop, it was estimated that on February 1, 1950, about 30 percent had not yet been contracted for, and about 10 percent had not yet been picked.

During January 1950 registrations of sales reached 416,169 bags valued at $28,607,876.

The next crop, which will be picked between April and July 1950, is expected to total 2,400,000 bags of exportable coffee. If weather conditions continue favorable the crop may be slightly larger.

Exports of coffee from Colombia in January 1950 totaled 451,802 bags valued at $30,525,383, as compared with 441,291 bags valued at $18,160,841 in January 1949. Although January 1950 exports were only about 10,000 bags more than were shipped in the like month in 1949, the value of the January 1950 shipments were about $12,500,000 greater, or about $0.20 per pound higher. The United States received the bulk of the January 1950 exports, taking 422,862 bags, valued at $28,627,774.

### Nigerian Cacao Crop Prospects

Nigeria's cacao crop is turning out better than expected. The total main crop from all regions of Nigeria is expected to amount to about 92,000 tons.

Preliminary indications are that the "light crop" will be nearly as good as in 1949 and should approximate 8,000 tons, which if realized will mean that over-all production for this season will total about 100,000 tons compared with 107,000 tons in 1949. This is far better than expected, and this fact, plus the high prices (the Board must receive a minimum of 19 cents a pound in order to meet expenses, and it has been getting more than that throughout the season) prevailing, should result in a decidedly prosperous year for the Cocoa Marketing Board.

The unexpectedly high estimates of total production are attributed to the fact that losses from swollen shoot were far less serious than expected. The quality of the 1950 crop is said to be excellent.

Germany has again become a purchaser of Nigeria's cacao for the first time since the war. The quantity bought was described as small. The Scandinavian countries also have purchased small amounts; otherwise, the crop will be distributed about the same as in 1949, with about 40 percent to the United States, the same to the United Kingdom, and the remainder to Canada, the Netherlands, and a few other countries.

### Cacao Production and Exports, Trinidad, B. W. I.

Those interested in the cacao industry of Trinidad, British West Indies, believe the 1949–50 crop will be larger than the 1948–49 output and, although it may not reach the 15,000,000 pounds originally predicted, the yield should be more than 14,000,000 pounds.

Exports in 1949 amounted to 1,529,800 pounds, with stocks on hand as of December 31, 1949, of 938,494 pounds, according to the Cocoa Exporters Committee.

The United States received the bulk of the exports—1,321,400 pounds, at an average f. o. b. price of about $0.3917 per pound ($1 B. W. I. = $0.5862 U. S. currency).

### Restoration of Coffee and Cacao Plantations, Cuba

The Cuban Director of Agriculture recently requested Ministry technicians to prepare a plan whereby coffee and cacao plantations might be restored and production intensified. The plan is to include: Eradication of plagues and diseases; introduction of modern shade-growing methods; scientific pruning; and promotion of new producing areas, where high-yielding species and technical methods of cultivation and harvesting might be employed.

### U. S. Department of Agriculture (Bureau of Animal Industry) Import Regulations for Animal Byproducts and Hay and Straw

Imports of animal byproducts (except casings) and hay and straw are subject to United States Department of Agriculture, Bureau of Animal Industry, Order 371, part 95, issued October 27, 1939. Any United States purchasers wishing to import these products into the United States under sections 13, 15, 17, and 21, for unrestricted entry, should be sure that the required certification by a consular officer is obtained only from a United States Consulate. Otherwise, the shipment when it arrives will have to be entered under sections 14, 16, 18, or 22 for restricted entry—which will result in considerable loss of time and extra expense for disinfection or quarantine.

One company recently received a shipment of bone meal from Tsingtao, China, which was certified to by a British consular officer. Upon arrival in a United States port it was learned that the British consular certification was unacceptable to the U. S. Bureau of Animal Industry. The shipment, therefore, had to be handled under the provisions for restricted entry, which in this instance called for holding the commodity 90 days in quarantine or complete disinfection at port of arrival.

## *Fish and Products*

### Germany May Enter World Trade in Canned Fish

The German fish-canning industry could compete in world markets in respect to price as well as quality if a new system were generally adopted, says a Kiel firm which reportedly has developed a mechanical fish-canning process.

The machinery used in processing fish takes open cans of cleaned, salted fish, and cooks and dehydrates the fish, then fills the cans with oil. Other machines seal, sterilize, and label the cans. Cooking is done by infrared rays instead of by steam or smoke. Cost reductions up to 35 percent are claimed.

Herring and sardines in various pack styles appear to be the most logical species which could be packed for the international market. Herring supply is plentiful, and sardines recently have made an appearance along the German North Sea coast. During 1949, about 112 tons of sardines were caught by German coastal fishers.

Germany has never been active in competing in foreign markets for canned fish, nor has the German market for canned fish ever been developed. Some canning has been done, mostly in the form of specialties such as snacks, tidbits, rollmops, and sprats, and 4,640 pounds of such items were reported by the United States Bureau of the Census as imported into the United States in December 1949.

### Venezuelan Fish Cannery Resumes Operations

The completion of an exchange agreement between Colombia and Venezuela whereby the Colombian Supply Commission will deliver 10,000 bags of rice for distribution in Zenezuela and will receive in exchange 10,000 cases of Venezuelan sardines has enabled a sardine cannery at Caiguire, Venezuela, to resume operations at one-third of capacity. The cannery is packing 700 cases of sardines daily, employing 205 workers.

The exchange is on the basis of 2 cans of sardines for 1 kilogram of rice. Rice retails at 27 cents per kilogram and the 2 cans of sardines at 27.5 cents, so the exchange appears fair.

The fish canners still believe they need protection against imported canned fish (see Foreign Commerce Weekly, January 2, 1950, p. 32). Consumer preference for imported canned goods enables retailers to obtain a wider profit margin on them and hence push them at the expense of domestic canned goods. The Venezuelan producer's chief problem is one of overcoming this preference. Both advertising and retailers' margins are matters to which the producers may have to make concessions by sacrificing some of their own profits in order to remain in business.

## *Grain and Products*

### Rice Production and Foreign Trade, Burma

Latest official estimates place over-all paddy production for 1948–49 at 5,317,800 long tons, compared with 5,435,000 tons for 1947–48, and 3,775,652 tons for 1946–47. At an estimated conversion rate of 74 tons of rice and rice products for each 100 tons of paddy, 3,935,000 tons of rice and rice products were obtained in 1948–49.

Rice-milling capacity, although partially restored, is still much less than prewar. Many plants were destroyed during the war campaigns in Burma, and those that survived are by and large poorly equipped and badly maintained. Scarcity of spare parts, millstores, and replacement equipment has seriously retarded rehabilitation, and has hampered the effort to reduce milling wastes and restore the prewar rice-milling rates. Although Burma has more plants today than it had 10 years ago, rice-milling capacity in 1949 was 5,500,000 long tons, as compared with prewar capacity of 10,000,000 tons.

The small mills special, a short grain with 38 to 42 percent brokens, white brokens, and Sughandi, a long-grain rice, comprise the bulk of Burma's rice exports, which for the calendar year 1949 totaled 1,214,330 tons, including 1,175,202 tons of rice and 39,128 tons of bran.

Shipments by country of destination generally followed the trends of previous periods, with India and Ceylon purchasing the largest quantities. Exports were made in accordance with the International Emergency Food Council's recommendations regarding quantity and destination, which the Government considered too inflexible and as forcing Burma to confine its rice exports primarily to India, Ceylon, and Malaya. Since rice has become Burma's only export, Burma insisted on greater leeway in developing other trade contacts with rice as the medium of exchange. During the second half of 1949, the IEFC (International Emergency Food Commission) adjusted the allocations to permit Burma to broaden its market.

## *Vegetables and Products*

### Cuban Growers and Shippers Lose on Winter Tomato Crop

Cuban exports of 1949–50 winter crop tomatoes as of February 28, 1950, totaled 23,000,000 pounds, according to ships' manifests, as compared with 19,000,000 pounds during the corresponding period of 1948–49. Local exporters complained, however, that price-wise this is one of the worst seasons in recent years. Growers are depressed over the current marketing situation, and the fact that the crop suffered severely from blight late in the growing season. Prices at the beginning of March 1950, averaged about $2 per lug (30 pounds avoirdupois) delivered in New York, N. Y., whereas prices of about $3.50 to $4 per lug are considered as minimum desirable level. Growers and exporters do not soon anticipate any improvement in prices and consequently are endeavoring to sell surpluses locally whenever possible. Although growers are sometimes able to sell tomatoes to canneries, there reportedly has been some dumping.

Price trends during the first 2 months of 1950 discouraged plantings of the spring crop. Likewise, 1950–51 winter plantings will likely be smaller than for the current season.

# Furs

### Chinchilla Trade Prospects, Chile

Chile's captive-chinchilla population on ranches was reported as 2,365 animals at the end of 1949. In Antofagasta Province, there are now eight firms or individuals raising chinchillas, six of them at Calama, about 150 miles northeast of the city of Antofagasta, in a region relatively close to their natural habitat.

For breeding purposes, chinchilla are classified as Lanigera and Brevicaudata. The Lanigera type, the smaller of the two, is no longer found in its native habitat in the lower altitudes and along the coast. The Brevicaudata, a larger, more stocky animal is still found in small numbers in the higher and comparatively inaccessible mountain regions along the border of Bolivia and Chile. Trappers are occasionally successful in catching these animals and selling them to the ranches.

All ranches are concentrating on building up stocks and developing a variety that can readily adapt itself and survive in other parts of the world. One rancher estimates that it will be 15 to 20 years before the animals can be exported in any quantity.

Following the original shipment in 1923 of 18 Lanigera chinchillas to the United States (11 of which survived the journey) few animals were shipped until after World War II. Records indicate that 32 were shipped in 1936 and 80 in 1940. No shipments were made during the war, but about 300 animals have been sold in the United States since 1946. All of the chinchilla exports to the United States since the war have been the Brevicaudata type except for 10 Lanigera shipped in 1949.

### Peruvian Exports

Peruvian exports of fur skins in the first 11 months of 1949 included 1,618 kilograms of wildcat (ocelot), 1,554 of jaguar, and 633 of nutria. The United States took all of the wildcat and jaguar exports, and all but 11 kilograms of the nutria. In 1948, shipments amounting to 1,331 kilograms of jaguar skins and 315 kilograms of nutria went to the United States.

# General Products

### Austrian Exports of Antiques, Art Works, and Novelties

The value of Austrian exports of antiques to the United States in 1949 increased to approximately $114,000 from about $18,000 in 1948. Exports of such items are subject to strict official control. The supply is limited, and the pressure on Austrian families to part with their treasures is declining.

Exports of paintings, artistic prints, and etchings decreased in 1949 to $44,000 from about $88,000 in the preceding year.

Exports of novelties and wooden toys approximated $6,000 in each year; exports of smokers' articles totaled only $13,000, compared with $40,000 in 1948; and exports of umbrellas and parts increased from $9,000 in 1948 to $33,000 in 1949. About $6,000 worth of bric-a-brac and bronze manufactures were shipped to the United States by Austria in 1949.

### Bicycle Manufacture to Increase, Brazil

A leading Swedish bicycle manufacturer plans to increase the output at its subsidiary in Sao Paulo, Brazil, from 1,000 to 3,000 bicycles a month, beginning May 1950. The labor force of the Sao Paulo factory will be increased from 100 to 300 workers.

### Building Materials in Good Supply, Denmark

Building material shortages have largely disappeared in Denmark although some tight spots remain as in the case of lumber and iron forms. As a result, building restrictions and controls during 1949 were eased somewhat, but basic controls through construction permits are still regarded as necessary in order to conform building activities to the labor supply.

Although materials are in relatively free supply, there was a considerable shortage of skilled workers, especially bricklayers, during the peak periods of building activity.

### Prospects Bright in Glass Industry, Denmark

The Danish glass industry reported a good year in 1949. It is estimated that final figures will show that production was 20 percent above that of 1948. Three of the five glass-making factories expanded facilities during the year so that 1950 production probably will be 40 percent above the 1949 level. Capacity output was attained in all plants except in one producing window glass, where output was curtailed because of building restrictions.

No material shortages exist but higher costs of materials and labor indicate increasingly higher selling prices.

### Efforts to Promote New Cement Plant Still Unsuccessful, Ecuador

The American-owned La Cemento Nacional, located near Guayaquil, is the only cement plant in Ecuador. Total production of portland cement in 1949 of 1,229,406 sacks of 42.5 kilograms each showed a 13 percent increase over the 1948 figure of 949,854 sacks. The outstanding development during the year was the installation of a new kiln equal in capacity to the combined two kilns already in use. Production is expected to increase to 1,600,000 sacks in 1950. The company plans to purchase and set up a new mill, and it is expected that production in 1951 will reach 2,400,000 sacks or, according to the company, will exceed normal country-wide demand for cement.

The various projects for increasing production of cement in Ecuador by the construction of additional factories have not had favorable results. Since 1947 a group of Guayaquil businessmen have attempted unsuccessfully to find the necessary financial backing to establish a cement plant near Guayaquil.

Numerous official and private interests in the Sierra region have urged the establishment of a cement plant to overcome the periodic shortages. This inadequacy of supply is in part due to transportation difficulties which are magnified during the summer, or wet season.

The Production Development Institute of the Ecuadoran Government undertook a study looking to the establishment of a cement plant in the Sierra region. Since the funds of the institute have been cut off at least temporarily, it is doubted that anything will come of the project during the ensuing year. No private interests have as yet come forward with the necessarily high initial capital.

### Musical Instruments for Export, Germany

Band instruments, including clarinets, flutes, piccolos, drums, and saxophones, are being advertised for export in German publications; jazz-band drums of latest design are featured. Violins, violas, cellos, guitars, and mandolins, under the "Framus" trademark, are also offered. Mouth organs are advertised, but the bulk of production is in the Eastern Zone and quantities are still limited. Steel and covered strings, nickel-chromium precision strings, and other accessories are also advertised.

### Prefabricated Wooden Houses Purchased, India

A Stockholm firm has delivered to India 1,000 prefabricated one-family wooden houses.

Sweden is the only supplier of wooden houses to India but Finland also is reported to be negotiating to make similar shipments to that market.

### Cost of Materials Hampers Building, Honduras

The Chamber of Commerce in Honduras recently stated that one of the reasons for inadequate building was the high cost of materials, particularly cement. It said that a sack of cement which cost 1.60 lempiras abroad was increased by 1.74 lempiras for freight and other maritime expenses, 1.97 lempiras in duties, including other national and local taxes, and 9 centavos (100 centavos=1 lempira, which=$0.50 U. S. currency) in other expenses. The result is that a sack of cement costs 5.40 lempiras on the North Coast, or 237.5 percent more than its f. o. b. cost.

Nails on the North Coast cost about 107 percent more than the original cost. As a result of the urging of the Chamber of Commerce, the surcharge on importations of cement was reduced recently by 1 centavo a kilogram.

### Production of Glass Containers, Japan

Japanese production of glass containers in 1949 increased over the 1948 level, according to data released by the Economic and Scientific Section, Supreme Commander for the Allied Powers. Production of several types of glass containers, in metric tons, for 1948 and 1949 was as follows:

| *Type of container* | *1948* | *1949* |
|---|---|---|
| Beer and beverage bottles | 6,050 | 16,675 |
| Glass food containers | 20,004 | 33,003 |
| Glass medical containers | 34,701 | 43,369 |

### Korean Handicraft

Korean handicraft production includes a variety of articles executed in designs and scenes typical of the locality. Among the items of inlay work are file and document boxes, flower pots, cigarette cases, service trays, tobacco sets, and separate trays. Flower pots of porcelain, and brass, and lacquer flower vases are also produced. Annual production of most of these items amounts to 100,000 to 150,000 pieces; others range from 10,000 to 50,000 pieces. Designs include bear, deer, peacock, phoenix, and dragon, as well as the Korean flag.

Smaller amounts of the following items are produced: Pictures of native scenes and people; and such textile items as table cloths, napkins, runners, handkerchiefs, and towels.

### New Cement Factory in Progress, Mozambique

At Beira, Mozambique, the new cement factory may be ready to begin production by the summer of 1950, states the foreign press. Production is expected to reach 60,000 tons of cement per year.

The plant is located near Nova-Maciera at the railway junction of Dondo about 25 kilometers from Beira and is being constructed by the Companhia de Cimentos de Mozambique.

### First Cement Factory Opened, Portugal

On February 5, 1950, Portugal's first white-cement plant was officially opened. The plant is located in Pataias, Alcobaca district, in west-central Portugal, where sufficient limestone, kaolin, and sand deposits are obtainable for the plant's requirements. Normal capacity is fixed at 40,000 tons a year, and maximum capacity has been estimated at 60,000.

The normal consumption rate of white cement in Portugal is about 10,000 tons, all of which up to now has been obtained by imports. With the inauguration of the new plant, Portuguese requirements for white cement will be satisfied by local production. The company hopes that surplus production can be marketed abroad.

### Cement Regaining Export Position, Switzerland

Swiss production of portland cement in 1949 amounted to about 950,000 metric tons, approximately 50,000 less than 1948 production, according to trade estimates. Consumption and sales figures are approximately the same as production because the industry is not required to accumulate stocks.

Although Switzerland imported more than 12,000 metric tons of cement in 1948, all requirements during 1949 were met by domestic production, and 1,864 metric tons were exported.

It appears that the Swiss are beginning to resume their customary position as cement exporters, although some time probably will lapse before they reach the 1938 total of 32,000 metric tons.

Capacity of the industry is estimated by a Government source at 1,250,000 metric tons per year.

### Plumbers' Brass-Goods Factory Planned, South Africa

A new factory in the Union of South Africa, to produce plumbers' brass goods, also plumbing-, building-, and engineering-industry supplies is expected to be in production in June 1950. The factory is to be erected in the New Era Industrial Township, Springs, says the foreign trade press.

Although several years will elapse before the factory can handle large-scale production of a full range of products, the company intends to include the output of the following products soon after the factory has been put into operation. Copper couplings for the engineering industry and domestic trade (acceptable to all municipalities); gate valves, wheel valves, and radiator valves; all forms of plumbers' taps and fittings, both municipal and country pattern.

All articles will be produced by the accepted modern methods of hot pressing, die casting, and fabrication.

### New Cement Plant Making Deliveries, South Africa

The recently completed White's South African Portland Cement Co., Ltd., plant at Lichtenburg has started delivering cement to all parts of the Union. The plant, erected at a cost of about £2,000,000, is one of the largest and most modern in the Southern Hemisphere with a capacity of 7,000,000 pockets of cement per year.

# Iron and Steel

**(Prepared in Iron and Steel Division, Office of Domestic Commerce)**

### Malayan Iron-Ore Shipments to Japan Increase

Malayan production of iron ore increased to 8,018 long tons in the fourth quarter of 1949 as compared with a total of 372 tons in the three preceding quarters of the year. All of the ore produced in Malaya is exported to Japan in accordance with the SCAP-negotiated contracts to supply the Japanese iron and steel industry.

All of Malayan iron-ore production is presently concentrated in the deposits of the Bukit Besi mine located at Kuala Dungun in Trengganu State on the east-central coast of Malaya. Malayan iron-ore resources were one of the principal suppliers of the Japanese iron and steel industry in the prewar years with Japanese interests operating the British-owned mines on lease. These deposits were the source of almost one-half of the total iron-ore imports in Japan over the years 1935–41.

Production in the Malayan mines is expected to increase considerably during 1950 under the stimulus of the afore-mentioned SCAP supply contract for the Japanese industry. Improved production facilities and techniques are now being installed with new mining equipment arriving from the United States and three American mining engineers supervising operations at the Bukit Besi mine.

### Further Explorations of Dominican Republic Iron-Ore Deposits

Preliminary drilling in the iron-ore deposits near Hatillo in Duarte Province, Dominican Republic, indicates that they are considerably more extensive than the 43,000,000 tons originally estimated last year. However, additional exploration and testing will be necessary before the true extent of the deposits or the feasibility of economic mining can be finally determined. Present indications are that the deposits may contain as much as 80,000,000 tons of 67 percent iron content. American technicians are making further tests preliminary to more extensive exploratory operations.

### Continued Decrease in United States Exports

United States exports of iron and steel products, totaling only 278,035 short tons in January 1950, were considerably below the trade of either January 1949 (425,441 tons) or December of that year (345,573 tons). The decline was general throughout the entire trade, the only gains recorded in January over December being the modest increases registered in semifinished steel, railway-track material, and welded steel pipe.

The trade is summarized as follows:

*U. S. Exports of Iron and Steel Products*

[In short tons]

| Product | Jan. 1950 | Dec. 1949 | Jan. 1949 |
|---|---|---|---|
| Pig iron | 327 | 9,034 | 1,063 |
| Ferro-alloys | 878 | 600 | 4,761 |
| Ingots, blooms, billets, etc | 9,164 | 4,218 | 17,363 |
| Bars and rods: | | | |
| Concrete reinforcement | 1,265 | 4,795 | 10,388 |
| Other | 11,461 | 15,562 | 36,056 |
| Plates | 25,693 | 33,208 | 31,561 |
| Sheets and strip: | | | |
| Black | 41,750 | 53,705 | 55,423 |
| Galvanized | 6,794 | 8,913 | 5,908 |
| Tinplate and terneplate | 36,983 | 55,295 | 61,821 |
| Structural materials | 31,616 | 43,202 | 63,840 |
| Railway track material: | | | |
| Rails | 21,772 | 21,901 | 19,337 |
| Other | 7,976 | 5,421 | 1,996 |
| Tubular products: | | | |
| Cast-iron pipe and fittings | 2,984 | 5,240 | 4,059 |
| Seamless (steel) pipe | 16,216 | 24,605 | 37,711 |
| Welded (steel) pipe | 43,380 | 32,501 | 29,764 |
| Pipe fittings (other than cast) | 1,046 | 1,380 | 2,508 |
| Wire and wire products: | | | |
| Plain (black and galvanized) | 4,531 | 5,469 | 12,600 |
| Barbed | 2,270 | 4,398 | 4,697 |
| Other wire manufactures | 5,002 | 6,377 | 13,779 |
| Castings | 2,825 | 3,864 | 4,346 |
| Car wheels and axles | 3,546 | 3,968 | 3,908 |
| Forgings | 556 | 917 | 2,462 |
| Total | 278,035 | 345,573 | 425,441 |

# Leather and Products

### Livestock Numbers; Hide and Skin Output and Trade, Greece

Because of material declines in livestock numbers in Greece in recent years, the Ministry of Agriculture of Greece, in conjunction with the ECA Mission, has instituted various measures to assist livestock owners, includ-

ing loans for purchasing transport animals and breeding stock.

The building up of herds and improvement of their quality has been materially assisted by the prohibition of the slaughter of animals suitable for reproduction and by the institution of a program of artificial insemination. Livestock as of December 31, 1949, numbered 10,837,487, including 677,671 oxen and cows; 65,361 buffaloes; 6,656,398 sheep; and 3,438,057 goats. Estimates of all classes of livestock, although higher in 1949 than in 1948, were materially below prewar estimates.

Over-all hide-and-skin output in Greece during 1949 totaled 5,767,659 units or slightly less than in 1948. Although small increases occurred in the production of cattle hides and calf, kip, and sheep skins during 1949, they were offset by declines in the production of lamb and kid skins.

Imports of raw hides during the period January–June 1949 totaled 2,685 metric tons, coming mostly from Pakistan, India, Ethiopia, Uruguay, and Brazil, compared with 915 tons in the like period of 1948.

Exports of skins during the first half of 1949 amounted to 809 tons, which went mainly to Italy and Czechoslovakia.

### Shoe Output and Imports, Finland

Following decontrol of the sale of footwear by the Finnish Government on February 7, 1949, the manufacture and sale of shoes reverted to prewar levels. Stocks in retail outlets are adequate. "Ersatz" shoes are no longer manufactured, and supplies have been sold out at great reductions. With raw materials readily available, shoe factories are now operating at full capacity to meet the demand caused by wartime shortages. Output of footwear for the first three quarters of 1949 aggregated 2,276,500 pairs of leather shoes, 105,700 with textile uppers, and 1,630,200 pairs of rubber footwear.

Footwear imports during 1949 totaled 305,899 kilograms, originating chiefly in Czechoslovakia, Denmark, the Netherlands, and the United Kingdom. Exports totaled only 12,570 kilograms.

### U. K.'s Exports of Boots and Shoes

Exports of boots and shoes from the United Kingdom in 1949 were 22.5 percent lower than in 1948, although during the last quarter of the year there was a slight increase over the like period of 1948. Only 54.9 percent of the 1949 export target was achieved. Exports in dozens of pairs (with value in parentheses) for 1949, were: Men's shoes, 170,744 (£2,435,825); women's, 83,740 (£1,363,624); children's, 73,930 (£372,302); shoes of other materials than rubber, etc., 21,519 (£39,236); overshoes, slippers, house shoes, and sandals, other than rubber, etc., 132,887 (£614,968); boots, booties; shoes, overshoes, slippers and sandals, made wholly, or partly of rubber, 219,726 (£808,514). The exports of shaped parts of all materials for footwear were valued at £304,594. (The value of the pound sterling up to September 18, 1949, was US$4.03, and thereafter, $2.80.)

The main destinations of United Kingdom exports of boots and shoes in 1949 were the British West Indies, Australia, Ireland, the United States, Belgium, and British West Africa.

# Livestock

### Slaughter, Australia

Total livestock slaughter in Australia during the first 10 months of 1949 rose to 18,182,426 units compared with 15,351,972 in the like period of 1948—an increase of 18.4 percent. The total slaughter included 7,646,144 sheep; 7,592,355 lambs; 2,069,371 cattle; and 874,556 calves. The main increases over 1948 occurred in the slaughter of sheep and lambs, which were 13.5 and 32.7 percent, respectively. This improvement was primarily accounted for by the larger slaughter in the State of Victoria, where approximately 1,000,000 more sheep were slaughtered during the first 10 months of 1949 than in the corresponding period of 1948.

### Uruguay's Livestock Industry

The cattle industry in Uruguay during 1949 was the most prosperous level in history. Cattle numbers reached a record 8,700,000 head, official prices were the highest ever, and slaughter for consumption and for export also was at a high level. Pasture conditions were good until November when dry weather began to cause a shortage of grass, but this did not seriously affect the industry during 1949.

Sheep population was estimated at 25,000,000 head, the highest ever officially recorded. Because of high wool prices, ranches have held all sheep so long as they produce wool, but during 1949 sheep began to move to market because of extreme old age and favorable prices. Sheep slaughter totaled 920,126 head of which 629,572 were for export. This represented percentage increases of 123 and 72, respectively, over the 1948 slaughter.

# Lumber and Products

### U. K.'s Softwood Imports Show Rise

The United Kingdom imported approximately 2,112,000,000 board feet of softwood lumber during 1949, states a British trade paper. This represents a 24 percent gain over softwood-lumber imports in 1948. Finland headed the list of suppliers; imports from that country rose about 43 percent.

Imports from all other European countries also increased, those from Yugoslavia showing an increase of 144 percent. The quantity received from Soviet Russa in 1949 was considerably greater than in the preceding year, although it was well below prewar volume. Among the ranking suppliers, the only decreases appeared in imports from Canada and the United States, which were 16 percent and 59 percent, respectively.

Softwood imports, by country of origin, are shown in the accompanying table.

*U. K.'s Imports of Softwood (Swan and Planned), 1948*

[Millions of board feet]

| Country of origin | 1948 | 1949 |
|---|---|---|
| Canada | 512.0 | 431.0 |
| U. S. S. R. | 45.5 | 180.2 |
| Finland | 307.5 | 439.4 |
| Sweden | 383.3 | 411.6 |
| Poland | 62.2 | 137.0 |
| Germany | 155.2 | 175.4 |
| United States | 131.7 | 54.4 |
| Yugoslavia | 86.1 | 210.3 |
| Others | 17.3 | 72.5 |
| Total | 1,700.8 | 2,111.8 |

Source: British Board of Trade.

### Austria's Timber Cut and Lumber Output Rising

Timber cutting in Austria has improved gradually during the postwar period, and in the first 9 months of the 1949 forestry year (April 1, 1949–March 31, 1950) the cut totaled 7,500,000 cubic meters. This represented a substantial increase over the comparable period of 1948 when the cut amounted to 6,600,000 cubic meters.

With the resulting improvement in the supply of raw materials, timber-processing industries have increased production and exports. Thus, lumber output for the calendar year 1949 reached 2,900,000 cubic meters, a 50 percent increase over 1948, and a higher volume than in any year of the decade 1930–40.

Exports of lumber during January totaled 111,863 cubic meters and in the 7-month period ended January, 708,000 cubic meters. It is therefore probable that the earlier estimates for exports of 850,000 cubic meters in the 12-month period ending June 1950 will be low.

# Machinery, Industrial

**(Prepared in Machinery and Transportation Equipment Division, Office of Domestic Commerce)**

### Textile-Machinery Manufacture, Bavaria, Germany

The manufacture of textile machinery in Bavaria, Germany, was valued at 3,081,000 Deutsche marks (1 Deutsche mark=approximately US$0.24) during December 1949, compared with 3,069,000 Deutsche marks, during November and 3,051,000 Deutsche marks during October.

Continuation of reconstruction and modernization of textile mills is planned during 1950 and the first half of 1951, installations being domestically manufactured and imported. Despite modernization, it is estimated that only 30 percent of the looms of cotton weavers will be automatic. Wool mills will be even less modernized.

### Imports of Textile Machinery, India

Textile machinery imported into India during the period April through September 1949 was valued at 104,000,000 rupees (1 rupee=U.S.$0.30 up to September 19, and US$0.21 since that date). This compares with imports valued at 68,000,000 rupees during the same period of 1948.

Other leading imports of machinery during the period April–September 1949 were prime movers, other than electrical, valued at 85,000,000 rupees and electrical machinery valued at 75,000,000 rupees; imports in April–September 1948 had a valuation of 44,000,000 rupees and 60,000,000 rupees, respectively.

# Medicinals and Crude Drugs

### Combating Animal Diseases, Honduras

The Government has given little attention to the combating of animal diseases or pests in Honduras, however, a veterinarian and several assistants have recently been hired, and animal health regulations are being drafted.

Large banana companies maintain their own veterinarins to care for their work animals and cattle herds for beef and dairy purposes. These have served as a guide for Honduran ranchers in the past.

### Decline in Animal Diseases, Switzerland

The number of animal diseases occurring in Switzerland in 1949 receded from the number reported in 1948. This applied to blackleg, anthrax, swine erysipelas, hog cholera,

agalactia of sheep and goats, fowl pest, and fowl cholera. However, the number of animals with foot-and-mouth disease increased to a 3-year high.

A Swiss veterinary authority reports that the loss from animal diseases over a period of years has cost from 1,000,000 to 190,000,000 Swiss francs annually, but he indicates that losses have decreased considerably during the past 20 years as a result of the use of modern methods of vaccination and improved veterinary services.

# Motion Pictures and Equipment

### Developments in India

With regard to the new bill establishing a central censorship of films for all of India, the Minister of State for Information and Broadcasting stated that the authority would consist of a Central Censor, assisted by three deputy censors at the three producing centers of Bombay, Madras, and Calcutta. Although each of these would be advised by a panel, the ultimate authority would be the Central Film Censor. During October 1949, the 45 feature films presented to the Bombay Board of Film Censors, consisted of 18 United States films, 25 Indian features, and 2 British pictures.

The Indian press reported that a Bombay firm and a Swiss firm were completing a contract to manufacture raw film in India. The Government of India is reported to have assured the promoters of every possible assistance. The Swiss firm is to provide the machinery and processing technique; will assist in setting up the plant; and will be responsible for technical direction and the training of Indian personnel. About 20,000,000 square feet of photographic paper and raw film are to be produced annually.

Twenty-one organizations of the motion-picture industry in India met in Bombay during the last week of January to discuss the formation of the Film Federation of India. The purpose of this federation would be to function as the central organization of the Indian film industry as a whole. The Central Censorship Bill passed by the Government in December, and documentaries, taxes, and the paucity of theaters were other matters discussed at the conference.

### Censorship in Sweden

Sweden's Censorship Board examined 34 feature films during January 1950, of which 18 were approved for exhibition to adults, 13 were approved for showing to children, and 3 were rejected. All rejected pictures were United States films.

Of the 18 features approved for adults only, 13 were United States productions, 3 French, 1 German, and 1 Swedish. Six of the 13 films approved for children were United States pictures, 2 were Swedish, 2 British, 2 French, and 1 Danish.

In addition, five so-called travelogs (in Sweden classified as "nature films"), produced in the U. S. S. R., were passed by the Swedish Censorship Board in January. These pictures were all full-length films; they will not be shown in regular movies for admittance fees, but merely in connection with lectures about the Soviet Union. Because of the noncommercial character of these pictures, the Censorship Board did not include them in the above statistics.

### Situation in Nicaragua

Although several measures have been taken to restrict imports of nonessentials, the Nicaraguan Exchange Control Board has decided that no import permits are necessary for 35-mm. motion-picture films. Inasmuch as importers and distributors of these items are not allowed to buy controlled exchange at the official rate of 5 cordobas to the dollar, they are forced to buy dollars for remittances at the curb rate of about 6.50 cordobas to the dollar.

During the 6 months, July–December 1949, 252 first-run feature films were exhibited in Nicaragua. Of these, 196 (or about 78 percent) were from the United States, 31 were from Mexico, and 25 from Argentina.

Importers of 35-mm. feature films still are allowed the 50 percent reduction on the general import duties granted by the Ministry of Finance, and it is believed that such reduction will become permanent. On December 14, 1949, the Nicaraguan Congress established an additional 5 percent tax on the c. i. f. value of all merchandise imports, including feature films.

The new Teatro Principal, belonging to the Circuito Trebol, was inaugurated on September 3, 1949. This theater has large patronage because of its spaciousness and coolness; its capacity is 2,000 seats. There are now about 50 theaters in Nicaragua.

### Situation in Thailand

The opening of the Sri Rajawongse Theater on November 1, 1949, and the reopening of the completely renovated Capitol Theater on February 12, 1950, raised to 10 the number of first-run movie houses in Bangkok, Thailand, exhibiting United States films. Of these 10, however, 2 occasionally show Siamese and Chinese pictures. In addition, there is 1 first-run house devoted exclusively to Chinese films.

The first-run theaters in Bangkok have a total seating capacity of 13,020. Only one is air-conditioned, although the Capitol was redesigned with a view to using air-conditioning equipment, and it is understood that contractual arrangements with distributors call for installation perhaps within 1 year. An average of 28 shows per week are presented at the first-run houses at prices ranging from 12 baht to 3 baht. (1 U. S. dollar = 12.50 baht at official rates.)

Fifteen other theaters in Bangkok (including the municipality of Dhonburi, across the river) exhibit United States films. These theaters have a total seating capacity of 10,364. In addition, there are 55 theaters throughout the Provinces with a combined seating capacity of approximately 35,000, making the total capacity for the country about 58,400. This figure, however, does not include theaters devoted to 16-mm. films. Although there is a considerable volume of business in 16-mm. films, no reasonably accurate estimate can be obtained of the number of theaters.

Comparatively little competition for United States films has developed. The British film industry has some representation through Eagle-Lion, and a number of Chinese films, principally from Hong Kong, have appeared. In addition, an occasional Siamese film or Soviet production is shown. No French, Italian, or other Continental European pictures have appeared commercially.

# Naval Stores, Gums, and Resins

### Canadian Imports

Canada's imports of natural gums and resins in 1949 decreased $912,000 in value from those in 1948. Totals were $5,302,000 and $6,214,000, respectively, the Dominion Bureau of Statistics reports.

### Condition of Naval-Stores Industry in Greece

The naval-stores industry in Greece is not expected to regain prewar production levels for some time. Pine forests suffered large-scale destruction during World War II and the subsequent disturbed period.

# Nonferrous Metals

### Canadian Copper Output Increases

Among the world's leading copper-producing countries, Canada was one of the few showing a significant gain in production in 1949 over the 1948 figure. A portion of the increase was ascribed to the inclusion of Newfoundland's production in the Canadian statistics for 1949. Newfoundland's output was 4,548 short tons of copper in concentrates in 1948 and 4,575 tons in 1949. The United States and Chile both showed a decline, owing to market conditions. A preliminary estimate placed the 1949 Canadian output of recoverable copper at about 10 percent above the 1948 output. Mine production, almost half of which comes from the Sudbury district in Ontario, was estimated at 263,618 tons in 1949 against 240,732 tons for 1948. Production of refined copper was estimated at 227,512 tons in 1949 compared with 221,275 tons in 1948.

Exports of copper contained in ore, concentrates, and matte reached an estimated 37,070 tons in 1949, whereas the 1948 exports totaled 28,557 tons. Refined copper exports rose from 116,170 tons in 1948 to an estimated 127,161 tons in 1949 (see accompanying table). The United States received the bulk of the ore, concentrates, and matte both in 1948 and 1949, and Norway took the second highest quantity in both years. Most of the refined copper exports for 1948 and 1949 went to the United Kingdom, with the United States receiving the next highest quantity. During 1948, a significant quantity of refined copper was exported to Czechoslovakia, but no shipments to this destination were made in 1949.

*Canadian Exports of Copper by Countries and Classes, 1948–49*

[Copper content in short tons]

| Country of destination | Ore, matte, concentrates | | Refined | |
|---|---|---|---|---|
| | 1948 | 1949 | 1948 | 1949 |
| Total | 28,557 | 37,057 | 116,170 | 127,161 |
| United States | 22,625 | 29,650 | 18,089 | 50,211 |
| United Kingdom | 586 | 800 | 63,494 | 59,491 |
| Norway | 5,346 | 6,495 | | |
| France | | | 14,097 | 7,402 |
| Czechoslovakia | | | 6,411 | |
| Other | | 112 | 14,079 | 10,057 |

SOURCE: Dominion Bureau Statistics 1949 (Preliminary Statistics).

### Copper Output Stimulated by Price Rise, Korea

The production of copper in Korea was stimulated by an increase in the price in October 1949, from 165,000 won to 477,000 won (the official market rate 900 won = US$1 in February 1950). The increase was the first since June 1948. After that date production costs rose, and smelters complained that the price did not adequately cover costs. Production subsidies were considered but were discarded in favor of the price increase.

Production, which totaled only 4 metric tons of copper in concentrates during the first 9 months of 1949, was marked by the output of 33 tons in the last quarter. In 1948 total production amounted to 66 tons.

There was no electrolytic copper output in the last quarter of 1949, and only 308 tons were produced in the first three-quarters, as compared with 514 tons in 1948.

### Angolan Manganese Developments

A new company, Companhia do Manganês de Angola, with capitalization of 20,000,000 angolares (28.60 angolares=$1 in U. S. currency) was formed recently in Lisbon, Portugal, to develop manganese deposits at Quicumbe and Quitota in Angola. It is still possible that a United States company may obtain a contract for actual working of the deposits, and negotiations are continuing in Lisbon concerning this matter.

### Production of Atomic-Energy Raw Materials, India

A factory for processing atomic-energy raw materials in India is expected to be in full operation within a year, according to a recent announcement by the Government's Deputy Minister for External Affairs.

Steps already have been taken to set up the factory, and a nucleus of workers covering the different techniques required for this work has been trained. Other personnel required for this undertaking and for other atomic-energy work is being trained.

### Vanadium Production and Exports, Peru

A reported oversupply of vanadium has resulted in the Vanadium Corporation of America ordering a curtailment of its Peruvian production at the Minas Ragra mine.

Exports of vanadium in concentrates during the first 9 months of 1949 stood at 550 metric tons $V_2O_5$, slightly under the 645 tons produced during the like period of 1948. In the first 8 months of 1949, 229 tons of $V_2O_5$ contained in concentrates was exported, all of it to the United States.

### Summary of International Nonferrous Metals Agreement Released in Sweden

A summary of the text of the International Nonferrous Metals Manufacturers Agreement concluded on October 17, 1946, and still in effect recently was released in Sweden. The full text of the agreement is not available.

The agreement includes price stipulations of countries represented by the partners and of other countries. Relative to member countries the partners are bound not to export or offer for export to the country of another partner such nonferrous-metal manufactures covered by the agreement at lower prices than those prevailing in the country involved. Prices and changes should be submitted to the Secretariat of the Agreement, which shall keep all partners informed.

Five countries are represented: Belgium, with three members—Laminoirs et Tréfileries de Hal, Société Franco-Belge Laminoirs et Tréfileries d'Anvers, and Société Visseries et Tréfileries Réunies de Haren; France—one member, La Chambre Syndicale des Métaux; United Kingdom—three members, British Nonferrous Metals Association, Nonferrous Wrought Metals Export Group, and the High Conductivity Copper and Alloys Group; Switzerland—one member, Metallverband A. G. Association Métallurgique S. A.; Sweden—one member, A. B. Svenska Metallverken.

The items covered by the agreement include copper, brass, and other copper base alloys in sheets, circles, tubes, sheathing, plates, rods, extruded shapes, and zinc strip. The agreement also covers copper wire and strip except when used for electrical purposes.

### Copper Developments, Union of South Africa

Sales of South African copper, produced in Transvaal Province, totaled 10,781 short tons valued at £1,044,447 in the first 10 months of 1949, compared with 11,098 tons sold in the entire year 1948. (Prior to September 19, 1949, £1=$4.03 U. S. currency; after that date, $2.80.) Most of the sales were in the form of fire-refined copper (mined and smelted by the Messina Development Corporation) but also included small quantities of copper-gold concentrates and copper-nickel matte (from other mines in the area). Messina's output of fire-refined copper is sold both locally and exported to Europe, Australia, and the Far East.

Sales of blister copper produced by the O'Okiep Copper Co., Namaqualand, Cape Province, in the first 10 months of 1949 totaled 16,203 tons, averaging 99.13 percent copper worth £1,707,132. In 1948, the Cape Province accounted for 18,275 tons of smelter copper, 99.11 percent pure; and in 1947, a quantity of 19,867 tons, 99.15 percent pure.

An important event in 1949 was the Messina Development Co.'s transfer of its domicile from England to the Union of South Africa to reduce taxes and to enable it to maintain a reasonable level of dividends.

Messina's ore reserves, as of June 1948, were 3,403,580 tons averaging 2.02 percent copper. Its concentration plant has a capacity of 660,000 tons of ore annually. Consideration is being given to enlarging and modernizing smelting facilities by the installation of a new converter and a new refining furnace at an estimated cost of £70,000. This new plant will be capable of turning out 15,000 tons of copper a year. At the close of the fiscal year 1949, Messina's copper-concentrate stocks amounted to £350,000, valued at the cost of production.

The Northern Transvaal (Messina) Copper Exploration Co., controlled by the Anglo Rand Mining & Financing Corporation, resumed shaft sinkings in October 1949 from a depth of 530 feet to further explore copper lodes previously intersected by diamond drillings.

# Oils and Fats

### Tung-Oil Exports, China

Declared exports of tung oil from China to the United States were valued at $587,267 in February 1950 and were shipped through Tientsin or Tsingtao, because, for the second consecutive month, no ocean-going vessel entered Shanghai. The tung-oil shipments were made mainly by the China Fats & Oils Corporation, operated by the Communist regime—the successor to the China Vegetable Oil Company. As in January 1950, when declared tung-oil exports to the United States were valued at $893,335, the oil was transported to the ports of shipment at a 50 percent reduction in the regular freight rate.

# Paints and Pigments

### New Water Paint With Mud Base, Germany

A chemist in Hamburg, Germany, has reportedly developed a water paint with a mud base. The process uses an emulsion made from North Sea mud, bitumin, and certain chemicals.

The product is claimed to be suitable especially for painting masonry and roofing. It may be made in all colors except white.

# Paper and Related Products

### Iran's Cigarette-Paper Purchases

The Government tobacco monopoly in Iran recently purchased 269,320 bobbins (4,000 meters per bobbin) (1 meter=about 40 inches) of cigarette paper. The Government monopoly, which buys the country's cigarette-paper requirements, expected the above purchase to provide a 3-year supply. Further purchases are expected to be made in 1951, inasmuch as the monopoly wishes to maintain a 2-year stock on hand.

### Cigarette Paper, Iraq

Iraqi imports of cigarette paper in sheets amounted to 185 metric tons (1 metric ton=2,204.6 pounds) in 1949 compared with 39 tons in 1948, 83 tons in 1947, and 92 tons in 1946. Data on total imports of all kinds of cigarette paper (sheets, bobbins, tubes, and booklets or packets) are not yet available for 1949, but in 1948 they totaled 187 tons, compared with 327 tons in 1947 and 383 tons in 1946.

The purchase of cigarette paper in sheets in Iraq is confined to the Central Foreign Purchasing Committee which buys for the Tobacco Monopoly Administration. This organization distributes the paper to licensed hand-made-cigarette manufacturers. The High Supply Committee of Iraq ruled, as of December 20, 1949, that the import of cigarette paper in booklet form would be confined to the Directorate General of Tobacco Monopoly. This latter Department since has requested the Central Foreign Purchasing Commission to request bids on 20,000,000 booklets.

There is no Government regulation on trade in cigarette paper in bobbins. Local cigarette factories generally import this type of paper direct from manufacturers or through local commission firms.

### Italy's Cigarette-Paper Exports

Italian exports of cigarette paper in the first 10 months of 1949 totaled 5,066 quintals (1 quintal=100 kilograms or about 220½ pounds), compared with 6,766 quintals in the corresponding period of 1948. Exports in 1948 totaled 9,075 quintals, compared with 5,988 in 1947 and 18,270 in 1938. Principal countries of destination in the 1949 10 months were, in quintals (comparable 10 months of 1948 in parentheses): Iraq, 1,323 (197); Egypt, 964 (1,747); Syria and Lebanon, 787 (1,342); U. S. S. R., 600 (0); and Hungary, 507 (676).

### New Sulfate Mill for Portugal

The first industrial project for Portugal under the European Recovery Program—construction of a new sulfate pulp and paper mill at Cacia—has been approved by the Economic Cooperation Administration. (See Foreign Commerce Weekly, October 19, 1949.)

The mill will have an estimated production of 32,000 metric tons (1 metric ton=2,204.6 pounds) of sulfate pulp, of which 8,500 tons will be bleached. Of the total, 14,000 tons will be marketed as bleached or unbleached sulfate pulp, and 18,000 tons will be further processed into kraft paper.

Portugal now has only one small wood-pulp mill, so imports are necessary to satisfy domestic requirements. Production of the new mill is expected to take care of all require-

ments for kraft pulp and paper and, in addition, supply Portugal with a surplus for export. The improvement in Portugal's balance of trade that will result from installation of the new plant is estimated at a a maximum equivalent of $4,000,000 annually.

Equipment for the mill, to be purchased in the United States, will require ECA financing of $4,070,000, including $347,000 for packing, transport, insurance, and erection. Other equipment with a cost equivalent to $2,170,000 will be purchased in the United Kingdom, Sweden, and Finland. The over-all cost of the project is estimated at the equivalent of $9,580,000. The Portuguese Government will have a half interest in the company and will grant or guarantee necessary loans.

### Pulp and Paper Developments in Mexico

Bleached sulfite pulp from the United States was in short supply in Mexico during the fourth quarter of 1949. As a consequence Swedish suppliers increased their prices on a par with United States quotations. Previously Swedish quotations had been below United States prices. The market for imported paper continued slow, and demand for paper and paperboard from the United States was reported to be at a standstill except for certain specialties.

Competition from Sweden, the Netherlands, and Czechoslovakia was especially keen, the last-named country quoting prices 30 percent below quotations from the United States.

### Peruvian Pulp and Paper Developments

Peruvian paper production during the last quarter of 1949 was maintained at near-capacity levels, according to the paper manufacturers. Preliminary figures for 1949 show an increase in the production of coarse and wrapping paper, corrugated containers, and multiwall bags, this increase being estimated at about 14 percent over 1948. In 1948, paper and board production totaled 18,000 metric tons (1 metric ton=2,204.6 pounds), of which coarse and wrapping paper accounted for about half. Production of bagasse pulp in the first 11 months totaled 7,587 tons, compared with 6,587 tons during the like 1948 period—an increase of 13 percent, and greater than the total produced in all of 1948.

Imports of wood pulp in the September–October period of 1949 averaged 295 tons per month, a sharp decline from the monthly average of 2,071 tons during the preceding 3 months. Total imports for the first 11 months were 7,462 tons, compared with 6,203 tons for all of 1948. Imports of newsprint in September and October were 4,297 tons, and of other paper and board 1,706 tons.

### Esparto-Grass Situation, Tunisia

Production of esparto grass in Tunisia exceeding an average of 125,000 metric tons during the 3-year period 1947–1949, inclusive. Almost the entire output is taken by the United Kingdom—during the 3-year period 100,000 tons were purchased annually for paper making.

Output increased during the 1947–49 period, principally because of a heavier demand from the United Kingdom, higher prices paid by foreign buyers of esparto grass, and higher prices paid to natives who collect the grass.

Domestic consumption takes about 10,000 metric tons. It is used domestically in making circular mats used in olive-oil presses, brushes, and cord soles for canvas sandals.

Exports of esparto grass in 1949 totaled 118,030 tons, compared with 115,000 tons in 1949 and also in 1947. During 1949, the United Kingdom received 100,000 tons, France 12,000, Italy 6,000, and the United States 30 tons. The shipments to the United States were believed to be experimental deliveries.

# Radio, Television, Electrical Appliances

### Receivers, Argentina

Approximately 2,000,000 radio receivers were in use in Argentina in January 1950. The number of listeners per set was estimated at 4 persons. About 60 percent of the receivers were designed to receive short-wave broadcasts.

### Receivers, Costa Rica

Approximatley 34,500 radio receivers were in operation in Costa Rica in February 1950, of which 500 were in public places. The number of listeners per set was estimated at 5.5 persons. About 65 percent of the sets were designed to receive short-wave broadcasts.

### More Receivers in Greece

An estimated 148,000 radio receivers were in use in Greece on December 31, 1949, compared with 43,000 at the time of liberation, October 1944. Imports during 1949 approximated 28,200 sets, compared with 20,560 in 1948. Approximately 95 percent of the receivers in use are designed to receive short-wave broadcasts.

### Dutch Producers Sell Many Sets in Norway

Radio apparatus is produced in Norway by 27 firms, of which 20 make home-type radio receivers, 2 produce commercial radio equipment as well as home-type sets, and 5 manufacture only commercial equipment. About 1,000 persons are employed in the industry. The average weekly wage is approximately 100 crowns. (1 crown=approximately $0.14, United States currency.)

Imports of radio receivers totaled 2,012 units during January–November 1949, of which 1,218 were from the Netherlands. Only 48 were imported from the United States. In 1948 imports totaled 22,206 sets, of which 16,543 were from the Netherlands and 151 from the United States.

Imports of receiving tubes totaled 1,005,811 units during the first 11 months of 1949, of which 653,190 were from the Netherlands and 254,235 from the United Kingdom. Imports for the year 1948 amounted to 1,245,103 tubes, of which 693,017 were from the Netherlands, 311,122 from the United Kingdom, and 225,929 from the United States.

Exports of receiving sets from Norway reached a value of 140,790 crowns during January–November 1949. (Data on units exported are not available.) Principal markets were (value in crowns in parenthesis): Turkey (49,935), Hungary (23,213), Netherlands (22,495), and Sweden (22,443). In 1948 exports totaled 37,312 crowns, of which 33,300 went to Sweden.

### Sweden's Radio Receivers

The number of radios in use in Sweden was 2,500,000 in December 1949, of which 100,000 were in public places. The number of listeners per set was estimated at 3 persons. Approximately 2,328,000 sets were designed to receive short-wave broadcasts.

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Chemicals were in over-supply on the Hong Kong market in December 1949 and prices were depressed. There was also a drop in dye prices.

# Rubber and Products

### Brazil's Production, Consumption, and Stocks

On the basis of purchase figures of the Rubber Credit Bank and shipments to domestic consuming centers, production of natural rubber in Brazil during 1949 amounted to 27,693,025 kilograms, or about 7 percent more than the total of 25,770,326 kilograms produced in 1948. (1 kilogram=2.2046 pounds.)

Output of washed and dried rubber in 1949 amounted to 23,922,006 kilograms—which is about 7 percent greater than the total output of 22,353,206 kilograms registered in 1948.

Shipments of natural rubber from producing to consuming areas of Brazil in 1949 were 17,908,473 kilograms, or only about 1 percent above the 17,725,196 kilograms in 1948.

Stocks of natural rubber held by the Rubber Credit Bank at shipping and consuming centers of Brazil on Decemer 31, 1949, were 11,001,077 and 4,150,065 kilograms, respectively.

### Production and Stocks, Malaya

Malayan rubber production in 1949 totaled 670,257 long tons, compared with 696,978 tons in 1948—a decrease of 26,721 tons. Estates of over 100 acres produced 400,009 tons in 1949 compared with 402,907 tons in 1948. Stimulated by considerably higher prices which prevailed after devaluation, estates of less than 100 acres (small holdings) produced 72,152 tons in the fourth quarter of 1949, compared with 63,978 tons in the same period of 1948—an increase of more than 8,000 tons.

Malayan exports in 1949 totaled 899,212 tons, compared with 979,106 tons in 1948, a decrease of 79,895 tons. Of the 1949 total exports, the United States bought 265,328 tons, the United Kingdom 164,362 tons, and the U. S. S. R. 63,414 tons. Compared with total exports for 1948 (the United States took 371,391 tons, the United Kingdom 173,094 tons, the U. S. S. R. 103,593 tons), decreases were noted in exports to the United States (by 106,063 tons), to the United Kingdom (by 8,732 tons), and to the U. S. S. R. (by 40,179 tons). The decrease in rubber exports for 1949 proved to be a contributing factor in Malaya's adverse trade balance.

Total rubber imports into Malaya for 1949 amounted to 220,141 tons, compared with 300,091 tons for 1948, or a decrease of 79,950 tons. In 1949 imports from Indonesia totaling 146,972 tons were 86,365 tons less than in 1948. Imports from Thailand in 1949 increased by 4,230 tons to a total of 17,030 tons, compared with 12,800 tons in 1948.

### Thailand's Rubber Production and Trade

Thailand's rubber exports in 1949 seemed certain to approximate the record levels of 1948, despite uncertain domestic and world market conditions most of the year. Exports for the first 10 months of 1949 totaled nearly 80,000 metric tons, of which about 20,000 tons, valued at about $6,500,000, were shipped direct to the United States (compared with 75,000 tons in 1948), 36,000 tons to the Straits Settlements, approximately 23,000 tons to Europe, and nearly 900 tons to Canada.

Production was estimated at about the 1948 level, or between 80,000 and 90,000 tons. Some 600,000 acres were under planting about two-thirds of which represented trees of tapping age. Of the total of more than

95,000 tons exported in 1948 about 75,000 tons went directly to the United States, while in 1949 direct exports to the United States through October represented only about one-fourth of the total.

# Soaps, Toiletries, and Essential Oils

### Canada's Foreign Trade in Toilet Preparations

Imports of perfumery, cosmetics, and toilet preparations into Canada in 1949, valued at $288,977, increased approximately 50 percent over 1948. Practically all imports came from France (44 percent), United States (34 percent), and the United Kingdom (21 percent), a pattern similar to 1948, except for the 22 percent decrease in participation by the United Kingdom. However, each source showed larger values, with gains of 55, 73, and 18 percent, respectively.

Alcoholic perfumery and toilet preparations in bottles or flasks containing not more than 4 ounces, totaling $171,289, increased 35 percent over the 1948 value. Alcoholic perfumery and toilet preparations (in containers of more than 4 ounces) amounted to $66,349, an 87 percent gain over 1948. Perfumery was valued at $51,339, or 68 percent more than the total for the preceding year.

Exports of perfumery, cosmetics, and toilet preparations dropped to $103,823 in 1949, a 56 percent decrease from the 1948 total. Imports of perfumery and toilet preparations, n. o. p., accounted for 66 percent of total exports, and the value $68,943 was 48 percent less than in 1948.

Creams, lotions, and cosmetics, valued at $23,236, were 43 percent less than in 1948; shaving creams, at $7,222, were 58 percent less; and dentifrices, amounting to $4,422, fell 90 percent below the 1948 value.

### Lemongrass Oil, India

Recent Cochin (India) market prices of lemongrass oil per dozen bottles of 22 ounces each for the weeks ended on the stated dates were: January 14, 1950, 155 rupees ($32.55, United States currency); December 31, 1949, 142–8 rupees ($29.93); December 24, 145 rupees ($30.45); December 17, 152–8 rupees ($32.02); and December 5, 138–11 rupees ($29.12).

### Indochina's Soap Output

Soap production in Indochina for the first 6 months of 1949 totaled 3,120 metric tons, 80 percent of which was laundry soap. It continued to expand in 1949, in part because of increased availability of domestic coconut oil, which is used extensively by the soap industry. Output in 1947 and 1948 totaled 4,540 and 5,840 tons, respectively.

### Iraq To Have New Soap Factory

A 2,500-ton soap factory, equipped with United States machinery, is scheduled to enter the laundry and toilet soap field in Iraq soon. Of the total 1949 United States exports of soap to that country, toilet soap amounted to 29,250 pounds, valued at $10,589, or about 97 percent.

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Funds for the purchase of 30 steam locomotives, 18 Diesel locomotives, and 1,528 passenger and freight cars are included in the 1950–51 proposed budget of the Egyptian State Railways. In the absence of dollar exchange, cotton may be offered in payment for the equipment.

# Textiles and Related Products

## *Cotton and Products*

### India's Cloth Production and Exports

Cloth production by mills in India totaled 3,918,000,000 yards in 1949 compared with 4,338,000,000 yards in 1948, a decline of 9.7 percent. From June through December 1949, 10 mills in India closed down completely and 20 closed partially. The monthly loss in production during that period was estimated at 8,500,000 yards of cloth and 801,000 pounds of yarn. The main causes of the mill shut-downs were cloth accumulation, cotton shortage, and equipment difficulties, according to the Minister of Industry and Supply.

Of the 800,000,000-yard export quota for cotton cloth announced by the Government of India for the period September 1949 through August 1950, shipments from the principal ports (Bombay, Calcutta, and those in South India) until January 31, 1950, totaled 336,777,933 yards. Monthly exports increased 170 percent between September and January. Nearly 37.5 percent of the exports were of grey (unbleached) cloth, 22.6 percent of bleached cloth, and 39.9 percent of printed, colored, or dyed goods. Shipments to the United States reportedly totaled about 3,400 yards during the 5-month period.

## *Wool and Products*

### Output and Imports, Belgium

Belgian wool spinning and weaving increased sharply during the second half of 1949 because of improved export outlets. The total 1949 production, however, was only slightly above that of 1948. Wool-yarn output totaled 35,615 tons in 1949, about the same as in 1948.

Imports of wool and products in 1949, with exports in parentheses, were as follows (in metric tons): Raw wool, 79,721 (2,653); washed wool, 5,236 (12,760); combed wool yarn, 289 (6,875); carded wool yarn, 68 (2,857); and woolen goods, 1,079 (7,078).

### Turkey's Trade

Turkish exports of mohair and goat's hair in the final quarter of 1949 were substantially in excess of shipments in the like period of 1948. The United Kingdom took all but 29,000 of the 737,000 kilograms of mohair exported in the 1949 period. About 50 percent of the goat's-hair shipments of 216,359 kilograms went to Canada.

Exports of unwashed wool amounted to only 2,310 kilograms, most of which went to Austria.

Australia continued to be the major source of washed Merino and Cheviot wool imports, with the United Kingdom furnishing the bulk of combed grades. Imports of washed Merino and Cheviot fell to only 197,239 kilograms during the last quarter of 1949; combed, to 98,336 kilograms; and unwashed, to only 213 kilograms.

## *Miscellaneous Fibers*

### Flax and Hemp Production, Denmark

Danish production of flax fiber in the 6-month period November 1948 to April 1949 totaled 1,159 metric tons and of flax tow 1,885 tons. Production amounted to 1,227 and 2,836 tons, respectively, in the full year 1947–48.

Only 9 tons of flax fiber and tow were imported during the first 11 months of 1949; 22 tons of fiber and 8 tons of tow were imported in all of 1948. Prewar imports of hemp covered Denmark's total requirements, but 192 tons of hemp and tow were imported during 1949. Shipments from Yugoslavia and Italy were resumed early in 1950.

In January–November 1949, Denmark exported 1,006 tons of flax tow against 200 tons in 1948.

The rope and cordage industry believes that imports will satisfy hemp requirements for 1950; as a consequence, no cultivation is planned. Hemp growing is not sufficiently economical, because of the short summers and strong winds.

### New Factories, Turkey

A new private factory, equipped to produce both hard- and soft-fiber products having a monthly capacity of 60 tons, started operating in June 1949 in Zeytinburnu, a suburb of Istanbul, Turkey. The plant is equipped with machinery made in the United Kingdom but purchased from Belgium where it had previously been used.

Another new State-owned plant is being erected at Taskopru, by the Sumer Bank. This plant will have an annual productive capacity of 400 metric tons of twine and 1,200 tons of burlap. It was originally scheduled to begin production in 1950, but it will be delayed until 1951 because machinery has not been delivered.

## *Wearing Apparel*

### Fur-Garment Production, Peru

Production of fur wearing apparel in Peru continued to drop during 1949 and exports in the first 11 months were almost nonexistent. Ten small firms reportedly sold their stocks to larger firms, thereby discontinuing operations and leaving five furriers practically in control of the entire fur business in that country. Employment was reduced to about 87 from 140 in 1948. This deterioration of the industry was due to inability of small furriers to maintain adequate stocks during the period of import restrictions. Furriers have estimated that sales of fur garments in 1949 decreased approximately 40 percent from 1948.

# Tobacco and Related Products

### Argentine Tobacco Situation

Trade sources estimated that the tobacco crop now being harvested in Argentina will total about 57,300,000 pounds, a little less than the 57,650,000 pounds obtained from the 1948–49 crop. The last five crops averaged about 54,900,000 pounds. As usual, most of the current crop will consist of the dark air-cured native tobacco of Corrientes Province, perhaps amounting to 30,900,000 pounds. The Salta region is expected to yield about 7,700,000 pounds of flue-cured cigarette tobacco, the largest crop on record, but less than originally expected on the basis of plantings. Burley production in this area is placed at about 1,100,000 pounds.

Production in the Misiones region declined because of poor demand, most of its tobacco not being suitable for cigarettes. Plantings of the native type were reduced sharply, and the acreage of Kentucky (fire-cured) also was reduced. Output of the latter type is placed at about 2,900,000 pounds.

(Continued on p. 40)

(Continued from p. 39)

Manufacturers successfully encouraged the planting of more Virginia flue-cured—the principal type for which imports are needed—and with good weather the crop might have aided materially in cutting import requirements. Planting of Burley was also encouraged, but the crop, although relatively large, is still unsatisfactory in quality and cannot replace imported leaf. The flue-cured is regarded as satisfactory in quality, although it is neutral in character as compared with United States leaf.

Trade sources report that stocks of both domestic and imported leaf were very small as of March 1, 1950, and that manufacturers are cutting their consumption of imported flue-cured and Burley.

In 1949 the Government restricted the amount of exchange for tobacco imports to current requirements. Imports were placed unofficially at 16,000,000 pounds in 1949, 25 percent less than in 1948. Brazil furnished 74 percent of the total. The United States provided 11 percent and was second in importance; Rhodesia furnished 8 percent. The Brazilian tobacco was of the Bahia type, and that from the United States was flue-cured and Burley. Oriental imports totaled about 1,000,000 pounds. Exports of tobacco were placed at about 2,200,000 pounds, mostly Misiones tobacco purchased by Belgium. There were practically no imports of manufactured tobacco products.

It is estimated that about 61,700,000 pounds of tobacco were used by the tobacco industry in 1949—the bulk of it in the manufacture of cigarettes. Consumption has increased about 5 to 6 percent annually in recent years and 1950 consumption is expected to approximate 66,000,000 pounds, which is more than is now in sight. Demand has increased, particularly for cigarettes containing Virginia and Burley leaf, the types in shortest supply. Current demand for such cigarettes is placed at 6,000,000,000 units annually as compared with 12,000,000,000 cigarettes containing dark native and Brazilian tobacco.

In view of the low stocks and the small current crop, it appears that there will be a serious shortage of cigarette tobacco if imports of Virginia, Burley, Oriental, and Bahia are not permitted. In order to avoid a shortage, it is believed that the Government will allocate exchange to import some tobacco this year, possibly in the second half. These allocations probably will be for Brazilian, Rhodesian, and Oriental tobaccos, as these can be purchased with soft currencies. There may be very little, if any, tobacco imported from the United States in 1950.

Manufacturers probably will be forced to restrict production of cigarettes using Virginia and Burley tobacco during the remainder of the year, and further increases in prices of tobacco products may retard consumption. Because of the dollar-exchange situation, efforts to obtain increased production of Virginia flue-cured will be intensified. However, it is doubted that production will increase rapidly enough to offset both greater consumption and imports.

#### Developments in Guatemala

The Tobacco Revenue Administration reports that despite an increase in planted acreage, dry weather in producing areas resulted in a crop of only 2,600,000 pounds of leaf tobacco in Guatemala in 1949. That was 19 percent less than 1948 output of 3,200,000 pounds. Approximately 11 percent of the 1949 crop (300,000 pounds) was bright flue-cured tobacco grown from selected seed. In other recent years about 20 percent of the crop has consisted of that type. Burley output totaled about 30,000 pounds and the remainder of the crop consisted of dark air-cured leaf.

About 1,456,000,000 machine-made cigarettes were manufactured in 1949 as compared with 1,387,000,000 in 1948. Hand-made-cigarette production is estimated at 50,000,000 units, the same as in the preceding year. Cigar output is placed at 90,000,000 units. Relatively minor quantities of tobacco products were imported during 1949.

Demand for tobacco products has been strong. Rising coffee prices have contributed to the country's prosperity with the result that the price of tobacco products has remained stable.

Stocks of leaf tobacco are estimated at about 1,800,000 pounds—slightly more than half those normally maintained and only about enough to last 9 months at current rates of production. It is hoped that the present shortage of leaf can be overcome by increasing plantings in 1950 to 9,000 acres (only 6,500 acres were harvested in 1949) and that production will be double that in 1949.

## Elements of the *Credit Outlook* for Latin America in 1950

(Continued from p. 9)

between demand for dollar exchange and dollar-exchange availabilities at any time. However, the existence of arrears of outstanding commercial collections may adversely affect for some time the credit of some countries, such as Argentina, Brazil, and Costa Rica, despite these countries' efforts to reduce the amounts involved. In this connection it seems pertinent to point out that a country's record of honoring its obligations over a period of years should also be taken into account in examining its credit position.

The extension of credit to importers in countries imposing exchange controls will involve risks not encountered in noncontrol countries. Recent exchange-rate adjustments in several Latin American countries, and shifts of merchandise payments from one rate of exchange to another higher one illustrate this kind of risk. An importer who must put up more local currency when he buys exchange to meet drafts than he had originally calculated would be necessary, when he placed his orders abroad, may find it difficult or impossible to meet all of his obligations.

### Question of European Competition

THE FOLLOWING considerations, although bearing principally on the *trade* outlook, seem pertinent to any calculations of the effect on credit outlook of the expected increase in European competition in the Latin American market in 1950. European production limits may continue to handicap European exporters with respect to the quantity of many items which they may ship to any market. However, the American Embassies in several Latin American countries have reported the presence in local markets of increasing quantities of European goods. The American Embassy at San Salvador reports, for example, that United States exporters are reported facing competition, especially price-wise, from European suppliers of cement, construction iron, paper, shelf hardware, hand tools, glass, small Diesel engines, and barbed wire.

European exporters, in order to compete successfully with United States exporters in Latin American countries without exchange controls, must usually be able to offer an advantage in quality, delivery, price, or credit terms. Latin American countries with exchange-control systems in effect may, however, occasionally reduce or eliminate any competitive advantage which United States exporters of certain products may enjoy, by accepting a part or all of its requirements of those commodities from a designated country or currency area.

This has recently operated in several instances to favor the European over the American supplier of some items in countries such as Argentina, Brazil, Chile, and Uruguay which sell a substantial volume of their products in European markets. These countries have in most cases signed bilateral agreements with their European trading partners, agreeing to accept specified quantities of certain items in return for an assured market for some of their export products. United States exporters of articles not included in these agreements may benefit in some instances by the release of dollars which might otherwise have been spent to import items from the United States, but now supplied under the agreements. Furthermore, countries having such agreements will probably not release significant quantities of dollars to increase their imports of European goods—in contrast with those countries not imposing exchange controls, which may spend substantial amounts of dollars for imports from Europe.

### Licenses, Quotas, Barter

IMPORT licensing and import quota techniques, as well as barter and private compensation transactions, in Latin American controlled markets, will probably also continue to restrict, and in some cases to eliminate, certain United States exports to this area in favor of some European imports. The credit outlook for countries using licensing or quota systems may, however, be improved by the existence of controls which conserve dollar exchange for permitted

imports. Provisions for barter or private compensation in Latin American countries generally specify, for export, products that have not found a ready market for dollars. United States exporters and credit men will therefore generally not find such arrangements profitable.

It is presumed that European suppliers will be assisted in bettering their price quotations by the 1949 devaluations of European currencies. However, the weight to be assigned to this factor should be limited by increases in production costs in European countries which in some cases have followed devaluation. Moreover, Argentina, Chile, and Uruguay adjusted some rates of exchange with respect to devalued European currencies in such a way as to offset part of the advantage of devaluation.

## Credit Terms: Should *Ours* Be Reexamined?

EUROPEAN CREDIT TERMS in the prewar years were frequently more liberal than those of United States exporters. If this again proves to be the case, it may be that some reexamination of United States credit terms, with a reevaluation of risks, will be necessary if a strong position is to be maintained in the Latin American market. On the other hand, longer credit terms at the present time may increase some risks, especially if importers of United States goods are unable to move their stocks quickly when European goods are available for lower prices. This would not be generally true in those Latin American countries which are experiencing goods scarcities, and especially in those which are imposing exchange controls, where any given item tends to move at the price of the most expensive similar item in the market.

There are also domestic factors that must be borne in mind in examining the credit outlook for both the control and the non-control countries. Government policies with respect to the amount of currency in circulation; policies with respect to the extension of credit, both public and private; and the use of various methods of financing fiscal operations of the government—all such factors are important in this respect as they create inflationary or deflationary pressures. Many Latin American countries at the present time are experiencing a greater or less degree of monetary inflation, which may give rise to an effective demand for goods and services beyond the capacity of the domestic economies to supply or the foreign-exchange earning capacities to support.

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Exports of crude red iron oxide from Iran in January 1950 totaled 1,500 metric tons, valued at $90,000.

# Legal Considerations in Inter-American Trade and Investment

By MORTON POMERANZ, *Legal Assistant, American Republics Branch OIT*

Operations in the field of international trade and investment are sometimes more complicated than domestic transactions because of a foreign legal structure that differs from our law in matters of both substance and procedure. None of the 20 republics of Latin America have the common-law system which we developed from English sources but have *civil*-law systems developed from the Napoleonic Code and other codifications of continental Europe.

A large segment of the Latin American area is as yet industrially undeveloped, and it is reasonable to expect that private American capital and technical assistance will be important elements in the full realization of the area's possibilities. Since most of this private United States participation will be *within* the Latin American countries and therefore subject to the terms of local law, it may be wise to examine a few of the elements of civil law applying thereto.

Once the businessman has satisfied himself as to the various economic considerations, he encounters the problem of deciding which of the available business organization forms best lends itself to the type of operation he has in mind. Generally, the commercial codes of Latin America provide four alternatives for a business organization, namely:

(1) *Sociedad Colectiva*,[1] which is a simple partnership, generally defined as an association of two or more partners, whose liability is unlimited;

(2) *Sociedad en Comandita*,[2] a limited partnership, generally defined as an association of partners, some of which have managerial rights and unlimited liability while others have liability limited to the amount of their contributions to the capitalization of the partnership, with no rights of management;

(3) *Sociedad Limitada*,[3] counterpart of the limited liability company, with liability of all partners limited to the amount contributed to the partnership; and—

(4) *Sociedad Anónima*,[4] civil-law counterpart of the corporation.

*All* of these forms of business organization are legal entities in that some act, over and above a contract between partners or organizers, is necessary before operations may begin under a partnership or corporate name. The organizing contract, or a substantial part thereof, must be inscribed in a commercial register; and publication, varying in form from one country to another, must be made to the business community.

In the United States, foreign partnerships need not qualify to do business in a particular jurisdiction, as must foreign corporations. In a few of the Latin American countries, existing foreign companies that wish to do business in those countries, be they partnerships or share companies, must gain administrative approval, in addition to proving that they were legally constituted at the place of their domicile. Such proof involves the authentication of copies of the company's constitutive documents by appropriate government officials in the United States; translation of those documents into the official language of the country; further authentication by the consular officials of the country in question; and, lastly, the inscription in the commercial register and the publication which is required of companies established locally.

[1] *Sociedade em nome Collection* in Brazil, and *Société en nom Collectif* in Haiti.

[2] *Sociedade em Commandita* in Brazil, and *Société en Commandite* in Haiti.

[3] *Sociedade por Quotas de Responsabilidad Limitada* in Brazil.

[4] *Sociedade Anonyma* in Brazil, and *Société Anonyme* in Haiti.

### *Three Alternatives Open*

When these elements of civil law are coupled with our own law of business organization we find that three alternatives are available to an American firm wishing to engage in business in a Latin American country:

(1) It may register the existing American company to conduct the business in the country in question:

(2) A subsidiary company may be organized under the laws of the country involved; or

(3) It may organize an American subsidiary to engage in business in the country under consideration.

The registration of an existing American company may turn out to be more costly than the establishment of a new business organization in the country in question because of the procedure involved in proving that the company was constituted in conformity with our law. Registering an existing American company will also subject the business to the difficulties that are sometimes encountered in ascribing parts of the profits and losses to the foreign phase of the operation for tax purposes. Also to be considered is the liability of the company's United States assets to foreign judgments rendered against the company because of foreign operations. Lastly, it must be borne in mind that Latin American commercial codes compel the maintenance of a set of accounting and correspondence ledgers which are examined and initialled annually by an appropriate government official. Such a requirement may therefore subject a registered American company to a disclosure of all its operations, be they local or foreign. This alternative for doing business does, however, have the advantage of the diplomatic protection of the United States.

From the above outline of Latin American business organization forms it will be seen that the organization of a subsidiary company, under the laws of the country involved, generally presents no problem for American firms, because their usual form of organization has an equivalent in the civil law. The advocates of this form of doing business usually cite the theoretical sentimental advantage that the subsidiary so formed is a national of that country. In the field of taxation, tangible benefit may redound to the parent company if it is planned that the foreign subsidiary is to accumulate profits for local expansion. Such profits would not be taxable income to the United States company until received by it.

### Most Popular Choice

Perhaps the most popular of the three alternatives is that of organizing an American subsidiary which would then register to engage in business in the country under consideration. Such an arrangement could, where the corporate form is used, result in favorable tax treatment, if the subsidiary corporation could qualify as a Western Hemisphere Trade Corporation within the terms of section 109 of the United States Internal Revenue Code. This alternative also permits the holding of directors' and stockhold-

ers' meetings at the subsidiary's home office in the United States. Finally, such a method of doing business would entitle the organization to diplomatic protection of the United States.

## The "Doing Business" Question

To this point we have confined our inquiry to those situations where it might be said that the company involved was clearly "doing business" in some one of the Latin American countries and therefore would be subject to all of the rights and liabilities of local law. In international trade there are, however, many kinds of transactions which bring up the question as to whether they are the type that will subject the American participant to the effect of local law. Whether a company is doing business within a country or is only doing isolated acts is important in many ways. The right of access to the local courts may depend upon whether the company is doing business within that country; jurisdiction to impose taxes on an aggregate of assets may depend upon whether they are the assets of a business done within the country; and, the privilege to act as a company in Latin America, without complying with certain regulations may depend upon whether the act involves doing business.

Whether a company is doing business in a particular country is a question of fact. The answer turns on an appraisal of a particular situation. Is a foreign company, which does not maintain a permanent branch or agency in the country, but which does only a more or less irregular business through correspondence or travelling salesmen, doing business in that country? Is the American licensor of a patent or trade-mark doing business in the country of the licensee? Fact situations such as these, although on an inter-State rather than an inter-nation basis, are being determined daily in the courts of the United States, and authorities agree that decisions in such cases are compromises between the right of a State to regulate business activities within its borders and the desire to maintain unfettered trade between the States.

The countries of Latin America, in their approach to the "doing business" concept, have all inserted in their commercial codes some form of a general statement that differentiates between those companies which do a more or less irregular business through correspondence or traveling salesmen, and those which establish an agency, branch, or representative in the country. Illustrative is the provision which is to be found in the Argentine Commercial Code:

"Companies legally constituted in a foreign country which do not have a situs (asiento), branch, or other kind of company representation in the Republic, may, nevertheless, practice in it the respective acts of commerce which are not contrary to the national law."

Such a broad statement of the "doing business" concept, without a further definition of such terms as "situs," "branch," or "company representation," cannot in itself serve as a sufficient guide in predicting how a certain situation will be resolved by a particular court. The lawyer trained in the common law would look to the decided cases for further clarification. But case law in Latin America is sparse, and, with limited exceptions, the doctrine of *stare decisis* does not obtain and judges are therefore not required to abide by, or adhere to, the decided cases.

Those working in this field do, however, discern the broad outlines of the "doing business" concept from a study which combines the codes, treatises, and few cases that are available in the countries of Latin America. As in the United States, the rule obtained represents a compromise between the right of a State to regulate business within its borders and the desire to maintain unrestricted trade between itself and other States. However, in this balancing process, a few of the Latin American countries have, because of a desire to protect local industry and labor from foreign competition, tended to emphasize the right of a state to regulate business within its borders and consider anything more than an isolated transaction as "doing business" and therefore subject to the terms of local law.

In Mexico, a Chamber of the Supreme Court has decided that an American company which had merely registered its trade-mark in Mexico could not bring an action for trade-mark infringement in Mexican courts without first obtaining inscription in the commercial register as a foreign business entity and further qualifying to do business in Mexico. It is not suggested that this decision or the few similar ones which have been arrived at by courts in Latin America are typical of the treatment which foreign companies can expect to receive. They are rather danger signs to those businessmen who would want the right of access to local courts and the right to act as a company but would nevertheless engage in more than an isolated transaction in one of the few jurisdictions in which such might be said to be "doing business."

## The Taxation Phase

Shifting our attention to the taxation phase of inter-American trade and investment, we find generally that the acts of individuals which would bring about liability for income and property taxes in the United States will also bring about such liability in Latin America. The tax difficulties which do arise are the result of the failure of most Latin American countries to provide specifically for the applicability and computation of taxes in instances of involved international transactions or of property rights in such things as patents and trade-marks. In some countries tax legislation is sometimes retroactive in its effect. Judicial machinery for contesting tax claims is often not provided, and penal interest charges can be levied administratively.

## Detailed Information Available

These are the broad outlines of some of the legal aspects of inter-American transactions. The American Republics Branch of the Office of International Trade (Department of Commerce), as a part of its responsibility to promote and foster international trade and investment, devotes a part of its publication and information program to the collection and dissemination of specific information relative to Latin American commercial laws. Basic studies on individual countries are published as the *Establishing a Business* [5] series, while periodic amendments and additions thereto are presented to the business community through the pages of the FOREIGN COMMERCE WEEKLY. Businessmen and their counsel are invited to submit any questions they may have, relative to Latin American commercial laws, directly to the Department of Commerce, or to any of the Department's Field Offices.

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New Zealand's imports of chemicals, fertilizers, and drugs in the first quarter of 1949 were valued at NZ£1,075,000, compared with NZ£1,238,000 in 1948.

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[5] Published as part of the International Reference Service, annual subscription at $5 per year, individual copies at 5 or 10 cents each.

# POWER: Hub of South America's Industrial Development

(Continued from p. 13)

located at Arroco dos Ratos, account for more than 75 percent of the country's output, which amounted to 2,034,311 metric tons in 1943; 2,072,881 metric tons in 1945, and approximately 2,000,000 metric tons in 1947. During this latter year over 1,500,000 metric tons of coal were imported, thereby furnishing a total of over 3,500,000 metric tons for domestic consumption. During 1948, domestic production of coal totaled 2,015,286 metric tons, and imports totaled 1,051,116 metric tons. Consumption during the first 9 months of 1948 approximated 2,157,000 metric tons.

Despite Brazil's vast storehouse of natural resources, petroleum has not been discovered and exploited on any large scale. This has proved to be a decided handicap to the country's industrial development and economy. Actual daily consumption of petroleum in Brazil is 50,000 barrels. Three areas in Brazil are known to possess potentialities for petroleum development. These are the coastal shelf (notably Bahia), the Upper Amazon Basin, and the Parana Basin. The first mentioned is considered the most promising based on drillings made by the National Petroleum Council and United States oil companies.

In past years the principal user of coal in the production of electric energy has been the State of Rio Grand do Sul, but even here the Porto Alegre plant of the Cia. Energia Eletrica Rio Grandense is being converted to the use of fuel oil. The increased use of petroleum and petroleum products for the production of electric energy in areas where hydroelectric power is not available, will depend on the further exploration and exploitation of Brazilian petroleum resources.

## Chile

FOR MANY YEARS industrial development has been the aim of the Chilean Government, and for the fifth consecutive year, industrial expansion has made notable progress.

Chile is the principal coal-producing country in South America. Its resources are estimated at 3,048,000,000 metric tons, which are considered ample for some time to come. Both bituminous and sub-bituminous coal, averaging about 13,000 B. t. u. in calorific value, are mined.

During 1948, Chile found itself in the position of seeking export markets for coal for the first time in many years, and several times during the year voluntary curtailment of production became necessary because of a lack of storage yards.

Production of coal in 1948 amounted to 2,239,289 metric tons, substantially above the output of 1,765,293 tons in 1947, when labor stoppages and slow-downs occurred. The 1948 output was the highest on record, exceeding the previous peak of 2,047,385 tons in 1944.

In addition to coal, Chile's power resources, excluding its forests, consist of water power and petroleum. In April 1948, the Fomento Corporation created a Board known as the Chilean Petroleum Service, which immediately assumed complete charge of the country's petroleum development program. The petroleum potentialities of Chile, although promising, can scarcely be classed as a major source of energy at this time. While oil has been found in commercial quantities, the scarcity of pipe line and refining equipment has retarded its exploration.

On the other hand, Chile's hydroelectric potentialities are its greatest economic asset, and it is on this source of power that the country's industrial expansion must depend. Chile's potential water power, based on ordinary minimum flow, was placed at 3,600,000 horsepower in 1947, while the capacity of its hydroelectric power plants was approximately 322,000 horsepower, or about 239,000 kilowatts. Of all South American countries, only Brazil and Peru have a larger potential or installed waterpower capacity.

Dividing the country into three geographical areas, the northern third is relatively poor in hydroelectric resources. The central portion, however, contains a vast store of hydroelectric potential. This is the industrial area of Chile and it is here that 80 percent of the country's population resides. The third geographical area, while probably containing as much potential hydroelectric power as the central section, can be less readily developed.

Chile enjoys an advantage over the other South American countries in the transmission of electric energy. Because of the narrowness of the country, the transmission lines crossing from ocean to the interior are much shorter and therefore the distribution of current is less expensive. Then too, the rivers plunge down from great heights in the Andes directly into the Pacific Ocean, offering excellent sites for high-head installations, which render such installations cheap by comparison with other countries of the Continent.

Chile has experienced periodic power shortages which have moved the Government to encourage new industries to locate in the Concepcion area rather than in Santiago and vicinity where most of the power shortage has been felt. As a result, many concerns now located in Santiago plan to move to Concepcion so as to take advantage of the new power facilities there, and to be near the source of supply of the materials which will be produced by the steel plant now being erected in that city.

In 1948, there were 5,585 manufacturing concerns operating throughout Chile, and numerous new industries, all dependent upon electric power for their operation, were inaugurated during that year. In this 12-month period, automobile storage batteries, automobile radiator hose, and garden hose were produced for the first time on a commercial scale in the country. Other new products manufactured in 1948 included a composition wallboard, copper and brass sheets, and tubing, opal glass tableware, a household electric refrigerator of modern design, and a coffee substitute. New plants opened during the year included the spun rayon plant of the Fabrica Victoria de Puente Alto, near Santiago; a new fish-freezing plant in Iquique; three woolen mills in the Concepcion area; a new cotton mill in Santiago, while others are under construction or still in the planning stage. In the latter group is a new pharmaceutical products laboratory planned for erection near Santiago and phosphate fertilizer plants to be established at Coquimbo and Quinteros.

In spite of the power shortages which occurred principally during the winter months, the Government-owned hydroelectric power system—the Fomento Corporation—and the United States-owned power company, both of which supply the Santiago-Valparaiso area with electric energy, have shown a 7-percent increase in power production during 1948.

The Corporacion de Fomento de la Produccion has made electrification the principal feature of its development program which will ultimately lead to a unified national development of the country's resources. According to the Corporacion de Fomento, Chile's total installed capacity approximated 441,000 kilowatts in 1942. The enlargement of two plants and the erection of eight new power plants (now in the planning stage) is incorporated in the 5-year development program within the central provinces of Santiago, Valparaiso, and Aconcagua, and calls for an investment of approximately $35,000,000.

Production of electric energy in Chile has increased annually during the past 5 years, as indicated by the following statistics recently released by the Chilean Statistical Bureau (Dirección General de Estadistica, Chile):

*Production of Electric Energy, 1944–48*

(In kilowatt-hours)

| | |
|---|---|
| 1944 | 729,000,000 |
| 1945 | 893,000,000 |
| 1946 | 986,000,000 |
| 1947 | 1,084,000,000 |
| 1948 (first 11 months only) | 1,065,000,000 |

NEWS by COUNTRIES

(Continued from p. 28)

control, or import prohibition. Recommendations relative to modifications in import and export controls are to be made to the Minister of Economy, and those pertaining to import prohibitions, to the Minister of Finance.

In conjunction with any proposed modification of foreign-trade restrictions the Commission is to submit to the Minister of Finance any suggestions it deems pertinent relative to tariff adjustments.

Another function of the commission is to make a continuing study of general criteria to serve as bases for barter or compensation operations involving articles of restricted or prohibited importation.

In addition to its research functions, the Commission will serve in an advisory capacity to the Superior Foreign Trade Council and the National Commission for the Control of Imports.

Membership of the Commission is to be as follows: Three representatives of the Ministry of Economy, including the Undersecretary who shall serve as President; three representatives of the Ministry of Finance, including the Director of Financial Studies, who shall serve as Vice-President, and the President of the General Tariff Commission; one representative of the Ministry of Foreign Relations; one representative of the Ministry of Agriculture; and one representative of the Bank of Mexico. Necessary technical and administrative personnel will be designated by the Commission, with the prior approval of the Ministers of Finance and Economy.

The embassy report was based on a Presidential Resolution signed February 20, 1950, published in the Diario Oficial and effective on March 11, 1950.

# Yugoslavia

## *Tariffs and Trade Controls*

### Modus Vivendi, Trade and Payments Agreements Concluded With Turkey

See item appearing under "Turkey" in this issue of the magazine.

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Much has been written during the past few years concerning the 18-year plan of the Corporacion de Fomento de la Produccion (Production Development Corporation—or Fomento Corporation as it is often called) for the expansion of Chile's hydroelectric power, and which will involve an estimated expenditure of over 2,300,000,000 pesos. The purpose of the plan is to raise the standard of living in the country through the greater utilization of its natural resources, and at the same time offer the facilities of these resources at a reduced cost. Development of Chile's hydroelectric resources is believed to hold the key to the ultimate fulfilment of this plan. Much progress has been shown in the development of the plan during the past 8 years, although it was considerably retarded during the war years.

[To be concluded next week.]

# UNITED STATES TRADE With Latin American Republics in 1949

(Continued from p. 8)

many years these two countries have led all other countries of the area in furnishing imports to our markets.

Exports to four of the five leading markets, Venezuela excluded, and to five other countries decreased from 1948. As compared with 1947, shipments to all countries except Venezuela, Guatemala, Honduras, Bolivia, Paraguay, and Chile declined. Of all deliveries those to Argentina decreased the most, both dollar- and percentage-wise, and were at the lowest point since the war's end. The decline in exports to Argentina from 1948, amounting to $252,000,000, accounted for more than half the decrease in shipments to the area, and the decline in exports to Brazil accounted for an additional one-fourth. Argentina cut back purchases of United States goods very sharply after the second quarter of 1948, and Brazil made drastic cuts after the first quarter of 1949 (chart III).

By contrast, imports from Brazil, Cuba, Venezuela, and Colombia rose; only imports from Mexico, among the leading countries, fell slightly. Of the 20 countries, 10 recorded gains and 10 showed losses. Imports from Argentina had the largest drop, $82,000,000—almost twice the decline for the entire area. They fell to the lowest value since 1940. Table 2 shows the value of exports to and imports from each of the 20 countries, together with percentage changes and percentage of total trade.

## Commodity Trade

### *Exports*

As in other postwar years, machinery, automobiles, parts, and accessories, iron and steel-mill products, chemicals, vegetable food products, and textiles, in descending order, were the principal exports. The order of importance of these commodities was changed from 1948 when iron- and steel-mill products and chemicals had ranked below food products and textile manufactures. The six commodities combined comprised two-thirds of total exports to the other American Republics in 1949. Other important commodities were edible animal products, merchant vessels, petroleum and products, and iron and steel advanced manufactures. The value of exports of each of these items in the past 3 years is shown in table 3.

TABLE 3.—*Leading Commodities in Trade of the United States With the Latin American Republics, 1947–1949*

| Commodity | Value in millions of dollars | | | Percent change 1949 from— | | Percent distribution 1949 | Percent of trade with all countries |
|---|---|---|---|---|---|---|---|
| | 1947 | 1948 | 1949 | 1947 | 1948 | | |
| Total exports [1] | 3,830.2 | 3,139.5 | 2,694.1 | −29.7 | −14.2 | 100.0 | 22.7 |
| Machinery, total [2] | 830.6 | 795.9 | 665.8 | −19.8 | −16.3 | 24.7 | 30.0 |
| Industrial | 489.7 | 464.3 | 403.7 | −17.6 | −13.1 | 15.0 | 30.6 |
| Electrical | 259.4 | 238.1 | 182.6 | −29.6 | −23.3 | 6.8 | 38.8 |
| Tractors [3] | 55.6 | 63.1 | 53.7 | −3.4 | −14.9 | 2.0 | 18.0 |
| Agricultural | 25.9 | 30.4 | 25.8 | −.4 | −15.1 | 1.0 | 20.1 |
| Automobiles, parts, and accessories [3] | 493.8 | 364.1 | 262.4 | −46.9 | −27.9 | 9.7 | 36.0 |
| Iron and steel-mill products [4] | 333.6 | 228.5 | 230.1 | −31.0 | +.7 | 8.5 | 31.4 |
| Chemicals and related products | 249.8 | 241.3 | 225.5 | −9.7 | −6.5 | 8.4 | 29.1 |
| Rice, flour, and other vegetable food products | 326.4 | 258.3 | 199.2 | −39.0 | −22.9 | 7.4 | 10.8 |
| Textile manufactures [5] | 327.1 | 245.6 | 187.3 | −42.7 | −23.7 | 7.0 | 30.4 |
| Meats, fats, milk, and other edible animal products | 105.6 | 105.1 | 104.9 | −.7 | −.2 | 3.9 | 27.5 |
| Merchant vessels | 220.9 | 100.7 | 103.3 | −53.2 | +2.6 | 3.8 | 59.3 |
| Petroleum and products | 83.6 | 97.7 | 97.6 | +16.7 | −.1 | 3.6 | 17.4 |
| Iron and steel advanced manufactures | 109.6 | 95.9 | 80.3 | −26.7 | −16.3 | 3.0 | 43.8 |
| Other | 749.3 | 606.4 | 537.7 | −28.3 | −11.3 | 20.0 | 15.0 |
| Total imports [6] | 2,140.9 | 2,323.3 | 2,295.9 | +7.2 | −1.2 | 100.0 | 34.8 |
| Coffee | 590.7 | 685.2 | 780.6 | +32.1 | +13.9 | 34.0 | 98.1 |
| Cane sugar | 410.5 | 290.0 | 322.0 | −21.6 | +11.0 | 14.0 | 86.5 |
| Metals and manufactures | 247.5 | 296.2 | 297.0 | +20.0 | +.3 | 12.9 | 30.8 |
| Copper, crude and semimanufactured | 148.9 | 170.8 | 155.2 | +4.2 | −9.1 | 6.8 | 70.9 |
| Lead | 25.5 | 47.4 | 65.4 | +156.5 | +38.0 | 2.8 | 53.7 |
| Tin | 30.7 | 38.0 | 38.1 | +24.1 | +.3 | 1.7 | 18.0 |
| Petroleum and products | 171.1 | 254.5 | 295.4 | +72.6 | +16.1 | 12.9 | [7] 61.8 |
| Crude petroleum | 160.6 | 249.5 | 280.2 | +74.5 | +12.3 | 12.2 | 82.1 |
| Textile fibers and manufactures | 131.9 | 194.7 | 148.5 | +12.6 | −23.7 | 6.5 | 21.5 |
| Wool, unmanufactured | 70.0 | 135.9 | 94.3 | +34.7 | −30.6 | 4.1 | 42.4 |
| Sisal and henequen | 23.7 | 28.7 | 20.5 | −13.5 | −28.6 | .9 | 56.2 |
| Cocoa or cacao beans | 71.1 | 85.9 | 53.5 | −24.8 | −37.7 | 2.3 | 43.0 |
| Bananas | 48.5 | 48.7 | 51.4 | +6.0 | +5.5 | 2.2 | 97.5 |
| Vegetable oils and oilseeds, inedible | 88.4 | 57.7 | 51.2 | −42.1 | −11.3 | 2.2 | 30.3 |
| Sodium nitrate | 15.2 | 23.4 | 26.0 | +71.1 | +11.1 | 1.1 | 100.0 |
| Vegetables and preparations | 36.7 | 38.0 | 24.7 | −32.7 | −35.0 | 1.1 | 47.1 |
| Tobacco unmanufactured | 35.1 | 23.3 | 24.0 | −31.6 | +3.0 | 1.0 | 32.8 |
| Hides and skins | 32.4 | 39.7 | 16.4 | −49.4 | −58.7 | .7 | 22.6 |
| Other | 261.8 | 286.0 | 205.2 | −21.6 | −28.3 | 8.9 | 9.3 |

[1] Exports of United States merchandise.
[2] Excludes office appliances and printing and bookbinding machinery.
[3] Excludes "Special Category" exports in 1949.
[4] Excludes scrap.
[5] Includes semimanufactured textiles.
[6] Imports for consumption.
[7] Including imports via the Netherlands West Indies, the ratio was 86.3 percent.

*Machinery.*—Exports of machinery, which had declined only 4 percent in 1948 from the high level of $831,000,000 in 1947, dropped further by 16 percent in 1949 to $656,000,000. The industrial types, representing three-fifths of the group and including mainly mining, well, construction, and power machinery, declined 5 percent in 1948 and 13 percent in 1949. Electrical machinery, constituting over one-fourth, declined 8 percent in 1948 and 23 percent in 1949. Agricultural machinery and tractors, after increasing 15 percent in 1948, declined by the same percentage the following year.

A reduction of two-thirds from 1947 in shipments of machinery to Argentina, the main destination in that year, accounted for nearly two-thirds of the decline from 1947 to 1949 in total machinery shipments to the area. Shipments to Venezuela, the present leading market for machinery, showed an increase in 1948 and remained about the same in 1949; those to Mexico and Brazil dropped about 23 percent from 1947.

Total exports to leading markets of machinery, including electrical, industrial, and agricultural, were as follows:

| | *Millions of dollars* | | |
|---|---|---|---|
| | *1947* | *1948* | *1949* |
| Venezuela | 111 | 130 | 127 |
| Mexico | 163 | 156 | 125 |
| Brazil | 154 | 132 | 120 |
| Argentina | 165 | 132 | 57 |
| Chile | 38 | 35 | 50 |
| Colombia | 57 | 56 | 47 |
| Cuba | 55 | 59 | 43 |

*Automobiles, Parts, and Accessories.*—Shipments of automobiles, parts, and accessories, after showing a curtailment of 26 percent in 1948, declined further by 28 percent as exports fell to $262,000,000. The largest declines were in motor trucks and busses, which, valued at $103,000,000, dropped 39 percent and 57 percent below the 1948 and 1947 levels, respectively. Exports of passenger cars valued at $82,000,000 represented a 25 percent reduction from 1948 and 33 percent from 1947.

The largest reductions in this group of exports since 1947 have been in shipments to Argentina, Brazil, and Mexico, in the order named. Exports to Argentina, the leading destination in 1947, dropped to only $8,093,000 in 1949. Shipments to Brazil, although decreasing sharply in 1949 to $62,900,000, exceeded those to any of the other American Republics.

Exports to leading markets of automobiles, including parts and accessories, were as follows:

| | *Millions of dollars* | | |
|---|---|---|---|
| | *1947* | *1948* | *1949* |
| Brazil | 113 | 107 | 63 |
| Venezuela | 45 | 62 | 60 |
| Mexico | 84 | 53 | 48 |
| Argentina | 140 | 41 | 8 |

*Iron and Steel-Mill Products.*—Exports of iron and steel-mill products had declined to 1,526,000 tons, or by 40 percent,

in 1948, partly owing to the reinstatement of United States export controls at the beginning of the year because of shortages of these products in this country. Although the export quotas were removed in 1949, shipments fell to 1,379,000 short tons. However, the value of such shipments showed a slight increase to $230,000,000.

The largest reductions in 1948 were in shipments to Argentina and Brazil and in 1949 in shipments to Argentina. Shipments to Venezuela, Chile, and Mexico increased somewhat in 1949.

*Chemicals and Related Products.*—As compared with other leading commodities, chemicals and related products have registered somewhat smaller decreases from 1947 shipments. The 1949 value of $225,500,000 represented a drop of only 6 percent from 1948 and 10 percent from 1947. Mexico, Brazil, Cuba, and Venezuela increased their purchases and became the leading markets. These increases offset in part the large decline in exports to Argentina.

Exports to the leading markets of chemicals and related products are shown below:

| | *Millions of dollars* | | |
|---|---|---|---|
| | *1947* | *1948* | *1949* |
| Mexico | 47 | 45 | 48 |
| Brazil | 44 | 46 | 47 |
| Cuba | 26 | 25 | 27 |
| Venezuela | 19 | 23 | 25 |
| Colombia | 20 | 19 | 19 |
| Argentina | 42 | 31 | 9 |

*Rice, Wheat, Flour, and Other Vegetable Food Products.*—Exports of vegetable food products, valued at $199,000,000, showed a sharp decline from the preceding 2 years. The main reductions were in exports of wheat to Mexico and in wheat flour to Brazil. Rice shipments to Cuba constituted one-fourth of the total and wheat and wheat-flour shipments, principally to Brazil, Mexico, and Venezuela, nearly a fifth.

*Textile Manufactures.*—The curtailment in exports of textile manufactures has been almost as large as that in automobiles. From the extraordinary total of $327,000,000 in 1947, they declined 25 percent in 1948 and by the same percentage in 1949. Declines in exports to Argentina represented about half of the total reduction.

Exports to the leading countries of textile manufactures were as follows:

| | *Millions of dollars* | | |
|---|---|---|---|
| | *1947* | *1948* | *1949* |
| Cuba | 61 | 59 | 43 |
| Venezuela | 36 | 49 | 37 |
| Mexico | 32 | 23 | 17 |
| Colombia | 18 | 20 | 13 |
| Chile | 11 | 6 | 5 |
| Brazil | 8 | 6 | 4 |
| Argentina | 68 | 17 | 3 |

### *Imports*

Four leading commodities—coffee, sugar, crude petroleum, and the ores-and-metals group—comprised nearly three-fourths of our total imports from the other American Republics in 1949. Larger imports and price rises increased the value of the first three by 14, 11, and 12 percent, respectively. Lead showed gains in imports that raised the total value of the metal group slightly, despite some reduction in copper. Among other leading commodities, bananas and sodium nitrate recorded higher values, although each fell slightly in quantity. Cocoa, while showing a marked expansion in quantity, dropped sharply in value because of price declines. Imports of other commodities, especially hides, wool, henequen, vegetable oils, and tomatoes, declined considerably in both quantity and value from the relatively large totals of 1948.

*Coffee.*—The United States imported from the American Republics 2,860,000,000 pounds of coffee valued at $781,000,000—a new record. The quantity of coffee imports increased only 5 percent; however, the advance in prices, mainly in the latter part of the year, contributed to a 14 percent rise in value. Brazil was as usual the source of more than half the coffee, and Colombia provided about one-fourth.

*Cane Sugar.*—Imports of cane sugar amounted to 6,400,000,000 pounds, valued at $322,000,000. These receipts represented a slight increase in quantity from 1948 but a 23 percent decline from 1947, when United States stocks were being built up and before the Republic of the Philippines again became a supplier. Ninety-eight percent of the total was supplied by Cuba.

*Metals.*—Purchases of metals, the third largest import, were valued at $297,000,000, about $800,000 more than in the preceding year. However, imports of copper, amounting to 800,000,000 pounds valued at $155,000,000, principally from Chile, declined 3 percent in quantity and 9 percent in value. Imports of lead, the second metal, after more than doubling in 1948, rose further by 38 percent in 1949 to $65,000,000, an increase that more than offset the decrease in copper purchases. Mexico was the main supplier of lead. Tin imports, nearly all from Bolivia, dropped 4 percent from 1948 to 19,627 long tons but increased slightly in value to $38,000,000.

*Petroleum and Products.*—Crude-petroleum imports, representing practically all of the "petroleum and products" group, reached a value of $280,000,000 in 1949. The increase in quantity imported, to 117,499,000 barrels from 98,552,000 in 1947 and 106,427,000 in 1948, together with a 46 percent advance in price, mainly during 1948, raised the value by three-fourths from 1947. Venezuela supplied nearly nine-tenths of U. S. petroleum imports from the area in 1949 and Colombia and Mexico the remainder.

*Textile Fibers and Manufactures.*—Unmanufactured wool imports, constituting about two-thirds of all textile fibers and manufactures imported from the area, declined from the 1948 peak of 269,000,000 pounds valued at $136,000,000 to 138,000,000 pounds at $94,000,000. United States demand fell off in 1949 as stocks were plentiful, and in the early part of the year there was a tendency to defer purchases in expectation of price reductions. Imports in the second half of the year, principally from Argentina and Uruguay, increased considerably.

NOTE.—United States trade with the Latin-American Republics for the first half of 1949 was reviewed in Report No. 127, Volume VI, of the Commerce Department's International Reference Service, and for the year 1948 in Report No. 32, Volume VI, of that Service.

## *CHILE'S* Economic Elements Today Experience Varying Impacts

(Continued from p. 5)

tion of all but certain specified commodity groups from the dollar and Swiss-franc areas and cut by more than 50 percent the allocations of exchange for payment for articles imported from other areas.

## The 1950 Fiscal Budget

THE INTERNAL budgetary situation has not suffered the same degree of depression in 1949 that has befallen the foreign-exchange budget. The 1950 internal fiscal budget contemplated receipts and expenditures of 15,650,000,000 pesos ($505,000,000 U. S. currency at official rate of 31 pesos equal $1). The budget law for 1949 had originally contemplated receipts of 13,592,000,000 pesos ($450,000,000 U. S. currency at official rate of 31 pesos equal $1). Several changes upward in both receipts and expenditures were made, but receipts were later revised downward in view of lower returns expected from copper taxes.

The Minister of Finance reported toward the close of 1949 that the deficit in the ordinary budget of expenditures, as well as certain other expenditures not originally included in the budget, would be met by applying a part of the uncommitted surplus of 571,000,000 pesos ($18,000,000 U. S. currency, approximately) carried forward from 1948. That a greater deficit did not result is explainable in part by the wider spread in the internal tax structure. Whereas 60 to 70 percent of the foreign-exchange budget is obtained from the copper mining industry, only approximately 20 percent of the internal budget is received from various taxes applying to copper-company operations.

Domestic tax receipts have been aided materially in recent years by the expansion in the manufacturing and processing fields. The Minister of Economy and Commerce announced that authorization had been granted during 1949 for the establishment of 482 new industrial enterprises representing a new capital investment of nearly $30,000,000. This is a continuation of a trend that got into high gear in 1948. In that year Chile produced automobile storage batteries, automobile radiator hose, and garden hose for the first time. A spun-rayon plant came into operation, and other new commodities produced for the first time in 1948 included a composition wall board, copper and brass sheets and tubing, opal glass tableware, a household electric refrigerator, and a coffee substitute.

## Plans for Increasing Copper Production

AS MENTIONED PREVIOUSLY, blueprints have been made also to maintain the important rank of the copper and nitrate industries. Considerable amounts are being expended in these fields to enable production to be increased and to reduce production costs. The Chile Exploration Co., a subsidiary of the Anaconda Co., which produces in Chuquicamata, the world's largest mining property, about 50 percent of the total copper output of Chile, began construction in 1949 of a plant which when finished will permit copper output to be increased in volume and lowered in production costs through treatment of sulfide ores exclusively—the type of ore that is now in greatest abundance. This projected change in the character of ore to be processed will require an investment of approximately $130,000,000, of which $60,000,000 is to be spent during the first 4 years. The new plant is expected eventually to increase the output of Chuquicamata from its present 215,000 short tons, approximately, to about 270,000 short tons per year at a cheaper cost.

A contract covering the interests of the Government and the Anaconda Copper Co. was signed by the parties concerned prior to the commencement of active construction, and the president of the Anaconda Co. at that time said the agreement signed with the Government ratified the past cordial dealings between them and established the basis for continued friendly dealings and mutual trust for the future. Construction progress made so far has been very good, and plans now call for utilization of the sulfide-ore process in 1952. About 1,800 workmen are engaged in the huge job of reconversion and construction, and this opportunity for employment eased considerably the unemployment situation in the mining areas following the cutback in copper production in 1949.

## Developments in the Nitrate Industry

NITRATE PRODUCERS in the past years have felt the need to expand production and to reduce prices, but at the same time were faced with dwindling mineral reserves, recoverable through the present Guggenheim process, as well as plant depletion. Recently, recovery of nitrates through a solar evaporation process was developed, and in 1948 it was tested in a pilot plant. The results reported were so promising that plans for commercial production went ahead rapidly. The process is now being placed into large-scale operation and is expected to (1) enable producers to make use of residues that could not otherwise be utilized, (2) be comparatively economical to operate, and (3) extend substantially the life of the available nitrate grounds. The first unit for solar evaporation, costing about $4,000,000, is nearing completion at Maria Elena and is expected to be in operation in July of this year. Net nitrate production in Chile in 1948–49 totaled 1,750,000 metric tons, an amount equaling that in the preceding fiscal period.

Chile is the only country in which deposits of natural sodium nitrate exist in quantities large enough for commercial exploitation. The industry has been affected greatly by competition from the synthetic nitrate industry developed during and after World War I but has been able, nevertheless, except in certain years, to maintain a fairly good position. Production and exports in 1948 and 1949, for instance, were at levels higher than those attained in more than a decade.

Nitrates once accounted for 75 percent or more of total Chilean exports. This was the case in the 1900–1913 period. Copper at that time made up only 5 percent of the total value of exports. After 1929 copper passed nitrates in relative importance and has generally maintained that position since.

## Chile Now an Oil Producer

CHILE LOOKED FORWARD at the beginning of 1950 to being for the first time both an oil producer and an oil exporter. Oil in the discovery field on Tierra del Fuego, Magallanes, was brought in in 1948 with three successful wells. Four more producing wells were brought in in 1949. Construction was completed last year, also, of one 55,000-barrel tank and two 5,000-barrel tanks at the oil field; two 80,000-barrel tanks at Caleta Clarence, the port of embarkation; a 45-mile pipe line from the field to the port; and a submarine pipe line at the port for deep-water loading operations. Plans have been made also for construction of a refinery near Valparaiso sometime in 1951. Production is being held to 2,000 barrels per day—potential productive capacity has not yet been determined, but the hope has been expressed that a 10,000-BPD level may be reached in a year or so.

Chile's consumption of petroleum products is at the rate currently of about 23,000 BPD. Pending the construction of its own refinery, the Government contracted to sell to Uruguay 756,000 barrels of crude oil in 1950, and an item of the budget listed $2,000,000 as receipts expected from that sale. At the end of 1949, the Government was negotiating in the United States for the purchase of an oil tanker for use in the transportation of the crude oil from the port.

## The New Steel Plant

THE MOST IMPORTANT industrial development in Chile's entire diversification program has been the building of the Huachipato Steel Plant at Concepcion. Though the plant is not expected to be fully completed until 1951, limited production got under way last year. Output in 1950 is expected to be more varied, with fuller use of over-all facilities. The plant will cost approximately $88,000,000 when completed; about $15,000,000 of this will consist of contributed capital, and the balance will be made up of loans, including $48,000,000 from the Export-Import Bank. The plant will have an initial capacity of 200,000 to 230,000 tons of ingot steel and is designed to permit expansion to two or three times the initial capacity. Chile's annual consumption of iron and steel is approximately 75,000 tons to 100,000 tons. There is need, therefore, for the marketing of production beyond domestic consumption. Consideration is being given to disposing of the excess amounts in Latin America, with overtures being made toward Argentina, Peru, and Ecuador.

## Power Production

HAND IN HAND with the construction of the steel plant at Concepcion has been the expansion of electric-power production in Chile. Under ration as late as 1949, the bringing into service of additional power facilities in the latter part of the year has enabled the country to pass the "hump" of demand. But with consumption increasing at a rapid rate and the stimulus expected from the new steel plant not yet fully felt, the Government Development Corporation's "Endesa" and the Cía. Chilena de Electricidad, Ltda., the private producer and distributor, were exerting full combined efforts to keep power production ahead of power use. The total installed capac-

ity of the hydroelectric system of the Empresa Nacional de Electricidad S. A. (Endesa) in December 1949 was 131,000 kilowatts, an increase of 118.3 percent over the 60,000 kilowatts as of December 1948. In addition, "Endesa" had an installed capacity of 1,500 kilowatts in thermal plants in the northern part of Chile, or a total of 132,500 kilowatts. The Cía. Chilena de Electricidad, Ltda., a subsidiary of a United States organization—serving the central Provinces of Santiago, Valparaiso, and Aconcagua, which consume 68 percent of the energy supplied by the electric-power companies of the country—had a total installed capacity of 172,648 kilowatts in December 1949—an increase of 21 percent over the 142,648 kilowatts as of December 1948.

The total combined installed capacity of these two organizations, amounting to 305,148 kilowatts in December 1949, represented an increase of 101,000 kilowatts, or 49.5 percent over that of December 1948. This accounts for about 95 percent of the installed capacity of all public-service electric light and power companies in Chile, excluding that of a few manufacturing and mining enterprises generating power for their own use. The growth of power production in Chile is indicative of the strides made in recent years toward industry development.

## Agricultural Outlook

IN THE AGRICULTURAL FIELD Chile is striving not without difficulty toward an objective of increased efficiency and reduced costs of production by mechanization. A farm-mechanization program is under the guidance of the Fomento [Development] Corporation, which has been instrumental in progress attainments in many varied fields. The nation has tried to maintain a "low-priced food" policy, but this has not been entirely possible because of the need also to offer a price incentive to producers so that larger sales abroad can be made to supplement the foreign-exchange receipts from nonagricultural exports.

In contrast to the prewar years such as 1937 and 1938 when the value of agricultural exports was roughly double the value of imports, there developed in the postwar years a large import balance of trade in agricultural commodities. The situation came to a head in 1947 and early 1948 when large imports of wheat, oilseeds, sugar, cotton, and other farm products were being made and when, despite cattle imports, there continued to be a meat shortage.

The problem was attacked in many ways but chiefly through the launching of the mechanization program in 1948 and extension of the plan of guaranteed commodity prices directed toward stimulating production. This program was fairly successful, especially in wheat and oilseeds. Rice production in 1949, while lower than in 1948, was still above domestic requirements, and the output of potatoes was adequate. The production of beans and peas, important export as well as domestic consumption items, was well above that of the war years. Other principal export crops, barley, garlic, and onions, were produced in 1949 in more or less normal volume. The output of most other vegetables and fruits was very satisfactory.

The outlook for the 1949–50 agricultural crop is less reassuring than that of either of the past 2 years. Both the seeded acreage and the prospective yields of some of the leading crops have suffered from an excessive rainfall during planting time and a prolonged drought during the growing period. While some improvement is expected before the harvest is in, the production of several of the important crops, including wheat, is estimated to be below the level of the requirements of the country.

## New WORLD TRADE LEADS

(Continued from p. 22)

79. *Ireland, Northern*—Rupert Mackworth Arthur Jones, representing Corran Works, Ltd. (manufacturer), Larne, County Antrim, is interested in contacting *radio* manufacturers, and wishes to obtain technical information. Schedule to arrive April 5, via New York City, for a visit of 3 or 4 weeks. U. S. address: *c/o* Sylvin Ginsbury, 8 West Fortieth Street, New York 18, N. Y. Itinerary: New York, Philadelphia, and Chicago.

World Trade Directory Report being prepared.

80. *Libya*—Ing. Enrico Sassoli, representing Libiavia (North Africa Aviation Co.) (agent handling air passage, transportation, and related services), 30 Corso Vittorio Emanuele, Tripoli, wishes to contact American *air lines* with a view to acting as their agent in Libya; also, wishes to obtain information on operation of air lines in the United States. Scheduled to arrive April 1, via New York City, for a month's visit. U. S. address: *c/o* Luigi Sossi, 500 Fifth Avenue, New York, N. Y. Itinerary: New York.

81. *Union of South Africa*—J. W. Hunter, representing Bartle & Co. (importer, wholesaler, retailer), 190 Marshall Street, P. O. Box 2466, Johannesburg, is interested in importing *machinery and equipment* into South Africa, and is particularly desirous of obtaining an agency for *ammonia refrigerating compressors* of up to 150 tons refrigerating capacity. Scheduled to arrive April 2, via New York City, for a visit of 2 months. U. S. address: *c/o* Fenchurch Export Corporation, 37 Wall Street, New York, N. Y. Itinerary: New York, Milwaukee, St. Louis, and Cedar Rapids.

Current World Trade Directory Report being prepared.

82. *Union of South Africa*—R. M. Lagesse, representing Union Sea Freighters (Pty.) Ltd., Durban, is interested in negotiating for the purchase or charter of a *ship* to be operated from the Union of South Africa to Madagascar, Mauritius, Reunion, the Seychelle Islands, and possibly Pakistan and the Persian Gulf. He is particularly interested in a ship suitable for the tramping trade, preferably an oil burner of 5,000- to 6,000-ton capacity, not more than 10 years old. Scheduled to arrive March 27, via New York City, for an indefinite period. U. S. address: *c/o* Atlantic Commerce & Shipping Co., Inc., 70 Pine Street, New York 5, N. Y.

World Trade Directory Report being prepared.

### Trade Lists Available

The Commercial Intelligence Branch has recently published the following trade lists of which mimeographed copies may be obtained only by American firms from this Branch and from Department of Commerce Field Offices. The price is $1 a list for each country.

Advertising Media—Denmark.

Architects, Builders, Contractors, and Engineers—Ceylon.

Beverage Manufacturers — Netherlands West Indies.

Boot and Shoe Manufacturers—Chile.

Ceramic Manufacturers—Brazil.

Dairy Industry—Uruguay.

Dry Goods and Clothing Importers and Dealers—Morocco.

Ecclesiastical-Supply Importers and Dealers—Venezuela.

Electrical-Appliance Manufacturers—Portugal.

Hospitals—Cuba.

Iron, Steel, and Building-Material Importers and Dealers—Hong Kong.

Iron, Steel, and Building Material Importers and Dealers—Iran.

Jewelry Importers and Dealers—Denmark.

Leather and Shoe-Finding Importers and Dealers—Indonesia.

Lime-Burning Plants—Belgium.

Meat Packing, Sausage, and Casings—Ceylon.

Meat Packing, Sausage, and Casings—Lebanon.

Motion-Picture Theaters—French West Indies.

Oxygen and Acetylene-Gas Manufacturers—Finland.

Paint and Varnish Importers and Dealers—Venezuela.

Paper and Stationery Importers and Dealers—Finland.

Physicians and Surgeons—British Honduras.

Pulp and Paper Mills—Norway.

Sawmills—Pakistan.

Schools and Colleges—Angola.

Schools and Colleges—Ceylon.

Schools and Colleges—Lebanon.

Sewing-Machine Importers and Dealers—Austria.

Sewing Machines, New and Rebuilt, Importers and Dealers—Panama.

Sources of Foreign-Credit Information and Brokers Who Deal in Exchange—Uruguay.

Sporting-Goods, Toy, and Game Importers and Dealers—Guatemala.

Tire Retreaders, Recappers, and Repairers—Portugal.

Tobacco and Tobacco-Product Importers, Dealers, and Manufacturers—Australia.

Tungsten-Carbide Manufacturers—Sweden.

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Imports of rayon yarn into Ireland during 1949 totaled 648,212 pounds, valued at £290,534. (£1 equaled US$4.03 prior to September 19, 1949; thereafter, $2.80.)

## Top-Ranking Latin-American Ore, Chile's *Copper* Is Focus of Interest

(Continued from p. 17)

by 20 percent this extraordinary tax, which was estimated to have yielded an additional $3,800,000 to $4,000,000. This tax applied to only 50 percent of the total 1946 tax under law 7160, payable in November, and proceeds from sales during the last half of 1947 under law 8758. This emergency measure remained in effect only through December 1947.

In 1949, the Government received an estimated $50,000,000 from the income and the extraordinary tax on copper sales. In addition, customs duties paid by the large companies totaled an estimated $3,230,000.

Revenue from the small mining companies was an estimated $6,200,000 in 1949. By comparison with the amount paid by the large operators, the small producers provide a negligible sum.

### Future of the Chilean Copper Industry

Chile is continuing an extensive program to improve its position with respect to copper. This can be seen in the expansion programs which have enlisted both domestic and foreign capital, and it is evidenced by the unceasing efforts of the Government to solve copper problems affecting the national economy.

At present, world demand for copper is strong, and Chile should have little difficulty in finding outlets for its production. Further, the long-range outlook for Chile's copper future appears quite favorable. Per capita consumption of copper in the United States is increasing. In contrast, domestic mine production over the next decade seems destined to decline, inasmuch as deposits are being exhausted faster than the rate of new discoveries. In addition, other countries may also be expected to increase their copper consumption, and Chile might well participate in those markets.

TABLE 2.—*Chile's Exports of Refined and Blister Copper, 1919–September 1949, by Area and Country of Destination*

[In metric tons]

| Area and country | 1919 | 1920 | 1921 | 1922 | 1923 | 1924 | 1925 | 1926 | 1927 | 1928 | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total | 55,765 | 88,865 | 55,453 | 120,413 | 163,015 | 182,067 | 172,159 | 187,234 | 226,101 | 271,937 | 308,305 | 196,100 | 211,738 | 120,102 | 156,322 | 239,806 |
| United States | 47,799 | 66,705 | 40,956 | 85,035 | 109,309 | 114,842 | 71,231 | 91,305 | 75,082 | 92,191 | 135,640 | 69,600 | 75,305 | 37,679 | 19,400 | 64,730 |
| South America | 4 | 16 | 9 | 155 | 358 | 5 | 41 | 12 | 10 | 15 | 5 | 15 | 2 | 2 | 6 | 3 |
| Argentina | | | | 134 | 355 | | | | | | | | | | | |
| Brazil | | | | | | | 30 | | | | | | | | | |
| All other | 4 | 16 | 9 | 21 | 3 | 5 | 11 | 12 | 10 | 15 | 5 | 15 | 2 | 2 | 6 | 3 |
| Western Europe | 7,435 | 22,144 | 14,488 | 35,121 | 53,124 | 67,220 | 99,668 | 95,892 | 151,009 | 179,731 | 172,660 | 126,485 | 135,676 | 82,217 | 132,163 | 143,748 |
| Austria | | | | | | | | | | | | | | | | |
| Belgium | | | | 1,070 | 305 | 152 | 1,526 | 2,314 | 3,847 | 14,832 | 15,493 | 3,904 | 14,878 | 1,999 | 11,351 | 5,171 |
| France | | 2,345 | 509 | 3,969 | 15,353 | 20,754 | 20,642 | 21,041 | 19,900 | 31,001 | 37,418 | 28,459 | 21,838 | 7,873 | 2,035 | 408 |
| Germany | | 5 | 4,818 | 11,916 | 11,754 | 16,522 | 29,910 | 30,344 | 62,075 | 52,780 | 44,040 | 27,028 | 17,194 | 18,071 | 17,612 | 8,482 |
| Great Britain | 7,435 | 17,818 | 1,470 | 7,317 | 11,410 | 15,668 | 26,611 | 24,161 | 33,356 | 53,008 | 50,984 | 49,200 | 48,465 | 35,868 | 54,614 | 94,934 |
| Netherlands | | | | 1,527 | | 1,194 | 3,064 | 2,221 | 10,939 | 7,252 | 3,562 | 1,611 | 4,560 | 5,136 | 7,008 | 912 |
| Italy | | 1,976 | 7,691 | 9,322 | 14,302 | 12,930 | 17,070 | 15,273 | 19,692 | 16,434 | 12,299 | 9,876 | 22,821 | 9,609 | 27,668 | 20,076 |
| Sweden | | | | | | | 845 | 365 | 1,027 | 4,271 | 8,787 | 6,315 | 5,795 | 3,661 | 11,875 | 13,406 |
| Switzerland | | | | | | | | | | | | | | | | 359 |
| All other | | | | | | | | 173 | 173 | 153 | 77 | 92 | 127 | | | |
| Other Europe | | | | 102 | 224 | | | 25 | | | | | 755 | 204 | 917 | 2,037 |
| Czechoslovakia | | | | | | | | | | | | | | | | |
| Poland | | | | | | | | | | | | | 255 | 204 | 917 | 1,529 |
| All other | | | | 102 | 224 | | | 25 | | | | | 500 | | | 508 |
| All others | 527 | | | | | | 1,219 | | | | | | | | 3,836 | 29,288 |
| Japan | 527 | | | | | | | | | | | | | | | 711 |
| Other | | | | | | | 1,219 | | | | | | | | 3,836 | 28,577 |

| Area and country | 1935 | 1936 | 1937 | 1938 | 1939 | 1940 | 1941 | 1942 | 1943 | 1944 | 1945 | 1946 | 1947 | 1948 | Jan.-Sept. 1949 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total | 259,757 | 239,238 | 383,249 | 349,320 | 312,245 | 357,003 | 439,886 | 494,402 | 449,323 | 482,092 | 431,182 | 374,014 | 387,262 | 414,603 | 256,994 |
| United States | 89,406 | 60,542 | 108,828 | 67,164 | 132,805 | 315,850 | 405,181 | 468,594 | 443,565 | 470,608 | 397,375 | 169,243 | 202,876 | 278,233 | 186,575 |
| South America | 2 | 209 | 1,074 | 1,446 | 905 | 2,934 | 18,531 | 25,808 | 5,758 | 11,484 | 14,534 | 20,604 | 28,306 | 9,599 | 8,540 |
| Argentina | | 10 | 638 | 670 | 892 | 2,925 | 10,250 | 10,314 | 1,933 | 2,070 | 2,695 | 9,057 | 21,337 | 1,827 | 1,037 |
| Brazil | | 190 | 432 | 776 | 6 | | 8,018 | 15,195 | 3,555 | 9,065 | 11,426 | 10,900 | 6,893 | 7,611 | 7,404 |
| All other | 2 | 9 | 4 | | 7 | 9 | 263 | 299 | 270 | 349 | 413 | 647 | 76 | 161 | 99 |
| Western Europe | 138,383 | 157,845 | 248,924 | 258,943 | 165,919 | 23,759 | | | | | 19,274 | 171,829 | 142,256 | 101,380 | 58,054 |
| Austria | | | | 5,929 | | | | | | | | | | | 444 |
| Belgium | 5,979 | 5,426 | 36,462 | 48,449 | 26,417 | | | | | | | 355 | 613 | 711 | 1,550 |
| France | 13,045 | 29,924 | 31,037 | 27,227 | 26,552 | 2,794 | | | | | | 37,436 | 44,705 | 30,414 | 18,970 |
| Germany | 6,827 | 5,787 | 5,130 | 779 | 459 | | | | | | | | 507 | 1,000 | 2,024 |
| Great Britain | 84,567 | 75,349 | 114,793 | 126,272 | 60,515 | 432 | | | | | | 70,136 | 56,486 | 33,427 | 18,579 |
| Netherlands | 7,349 | 2,378 | 263 | 102 | | | | | | | | 6,601 | 2,651 | 2,438 | 1,909 |
| Italy | 5,517 | 25,606 | 33,837 | 28,913 | 22,751 | 18,474 | | | | | 5,756 | 33,265 | 18,826 | 26,147 | 10,072 |
| Sweden | 14,183 | 12,342 | 26,098 | 20,890 | 28,818 | 2,059 | | | | | 12,400 | 19,231 | 13,862 | 152 | 1,227 |
| Switzerland | 783 | | | | | | | | | | 1,118 | 4,602 | 3,506 | 6,380 | 1,473 |
| All other | 133 | 1,033 | 1,304 | 382 | 407 | | | | | | | 203 | 1,100 | 711 | 1,806 |
| Other Europe | 5,800 | 5,232 | 870 | 3,422 | 1,490 | | | | | | | 4,988 | 9,066 | 15,249 | 2,396 |
| Czechoslovakia | | | 254 | 1,989 | | | | | | | | 2,267 | 9,066 | 12,064 | |
| Poland | 5,800 | 5,232 | 336 | 1,230 | 1,429 | | | | | | | 2,721 | | 3,185 | 1,016 |
| All other | | | 280 | 203 | 61 | | | | | | | | | | 1,380 |
| All others | 26,166 | 15,410 | 23,553 | 18,345 | 11,126 | 14,460 | 16,174 | | | | | 7,350 | 4,758 | 10,142 | 1,429 |
| Japan | 1,580 | 1,067 | 1,626 | 559 | 1,604 | 14,460 | 16,174 | | | | | | | | |
| Other | 24,586 | 14,343 | 21,927 | 17,786 | 9,522 | | | | | | | 7,350 | 4,758 | 10,142 | 1,429 |

SOURCE: Chile, Anuario Estadístico de Comercio Exterior.



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